DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

January 2, 1935.

The New Year started with rather lower prices from abroad, Liverpool cables showing a decline of 3/4 to 7/8¢ per bushel on their futures. This is not very unusual, as very often the first movement of the Argentine wheat crop followed by offerings from Australia, temporarily has a softening effect. This generally lasts until a fair amount of these crops has been disposed of. The holding facilities in the southern hemisphere are not as good as with us, and the pressure at the commencement of a crop movement in these countries has always been felt. However, as according to all reports, the yields in the southern hemisphere are smaller this year than last, and as Canada is still withholding her supplies on a large scale, this pressure ought not to last very long. This particularly so as the continental countries must at this time have used a great deal of their own crops and ought to show more interest in foreign wheats and flour; so any improvement there might reasonably be expected before long.

The Canadian situation is the most depressing factor at the present time, her stocks on December 28th amounting to 258,000,000 bu compared with 241,000,000 last year. If a tendency would exist to reduce these stocks to normal proportions, the whole price structure would crumble. However, inasmuch as it seems to be the determined policy of those in charge of the wheat handling in Canada to carry the large supplies until either the wheat is wanted or until the next crop in anticipation of another failure, it at least will not cut so much of a figure this season.

Naturally there could be no change in the domestic situation overnight. We figure that during the next six months for bread consumption, seeding of spring wheat, and feeding the animals, 280,000,000 bu will be required; and this ought to reduce our stocks to very small proportions. Primary receipts were somewhat larger than expected, 412,000 bu, but an unusually large amount was received at Minneapolis, which must be duplications, so we do not assume that there was any increase in farmers' deliveries whatsoever. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 124,000 bu.

Trade is extremely light, and we assume it will take some new issues to change the almost total absence of speculative interest. This might come about through the very heavy reductions in stocks, emphasizing again the fact of the very short crop and prospective diminishing supplies, or through crop scares. We think the foundation for the latter is laid, inasmuch as there is existing already a certain dry area, which if not relieved soon will undoubtedly be heard from later on in anticipation of small yields. While this particular dry area so far is limited, any further extension of damage to other parts of the country would immediately create apprehension, in view of the fact that our carryover-stocks are so small. At the close the market showed a decline of 1¢ a bushel.

The corn situation was not very much different from that of wheat. Buenos Aires cables came lower and that crop seems to be getting along nicely. Primary receipts continue to be light, 248,000 bushels versus 425,000 last year. There are bound to be great inroads on the available stocks at the present time, and as the season progresses the shortage of the last crop ought to become more and more severely felt. Just about one hour before the close, when no new buying orders came in the market, liquidation started on an increased scale, with very poor support; and the final figures showed a decline of 1 1/8¢ per bushel.

Rye followed the declining tendency of the other cereals, but oats held fairly firm.

UHLMANN GRAIN CO.

30 March 1983

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

Jan. 3rd, 1935.

Sterling exchange was very weak today, and the action of all other foreign exchanges indicates that there is more fear now of inflation here than there was.

Cables did not follow our late decline of yesterday, and were virtually unchanged. The European situation is so different from ours that in analyzing their position a separate view has to be taken. They usually depend at this time of the year on importations from Argentina, Australia, Canada and the Black sea; and last year for the ensuing six months they even imported 20,000,000 bu from the United States, mostly from the Pacific coast. Of course, with our scarcity here, none will be shipped from this country. The Black sea cleared in a similar week last year 1,672,000 bu, and this year only 208,000 bu. Canadian shipments, as reported by Bradstreet, are 1,693,000 bushels versus 2,969,000 in 1934. Argentina shipped this week 1,470,000 bu against 1,055,000 last season; so altogether, even including Australia, Europe for the time being will not be burdened with heavy importations. Even France, which country is determined to get rid of its surplus, is not likely to sell more than 500,000 to 1,000,000 bu a week at the present time. As foreign prices are already very low, and taking further into consideration that the home crops must be very nearly used by this time, or at least largely reduced, and with the next crop, the same as here, remaining an uncertain quantity until harvested, we rather look for at least steady markets abroad, if not some improvement.

Here the picture is entirely different. In an ordinary year there is still enough wheat left on the farm, so that a great many millers can draw their supplies direct from home. This year, on account of the depleted stocks, the farmers movement will be extremely small. Chicago received today only one car of wheat and nine cars of corn. The total primary movement for all terminal points was only 127,000 bu of wheat, and normally it would not be anything out of the way if some of the bigger markets: namely, Minneapolis, Chicago, Kansas City, etc., would each receive such a quantity. This compares with 159,000 bushels last year, when the receipts were also very small. The total shipments from primary markets were 330,000 bu, indicating a continued reduction of stocks; and so far this week Kansas City, Duluth and Minneapolis show a decrease of 314,000 bu; consequently another good-sized decrease in the visible supply on Monday.

Mr. Nat. C. Murray of Clement, Curtis & Co. estimates the wheat stocks on farms on Jan 1, 138,000,000 bu against 190,000,000 bu in 1934, and 271,000,000 in 1933. We intimated in one of our previous letters that if we assume the disappearance of wheat was about the same percentage this year as in other years, wheat on farms might be 152,000,000 bu; but either of these two figures is so small that it is quite plain that the same tendencies which have prevailed right along --small receipts and curtailment of stocks-- will continue until a new crop is harvested, and this is almost six months away. These considerations certainly were the dominating ones today, and created a much firmer feeling in the market. Speculation was extremely small, but the continued removal of hedges, even in a small way, was sufficient to lift prices.

We do not believe it is an exaggeration if we estimate that the visible supply will have to decrease another 40 to 50,000,000 bu before the first of July, and to that extent longs will have to be coaxed to liquidate their present holdings to enable the hedgers to cover their engagements.

At the close the wheat market showed an advance of 7/8¢ per bushel.

The smallness of corn receipts is even more striking than those of wheat. Chicago received only nine cars of corn, which is hardly sufficient for one industry alone, not to mention all the others; also a great many other places depend on this city for their supplies. The total primary receipts were only 158,000 bushels against 330,000 a year ago, and shipments were 262,000 bu. Premiums are stronger than ever, and #2 yellow corn brought as much as 6 or 7¢ per bushel over the May. How, under these circumstances, anybody can possibly expect deliveries on May contracts, is difficult to understand. The situation, if anything, at that time ought to be tighter than it is now. So far the great scarcity of this cereal has shown itself in higher premiums, but from now on it may do so more in the price of the future. The final figures in corn were 3/8¢ per bushel higher than the previous day.

Oats and rye sympathized with the other cereals, and closed higher.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO Jan. 4, 1935.

In order to show the much reduced speculative interest in cereals, we wish to point out the smallness of open trades this year compared with similar period in 1934: (000's omitted)

	Wheat	Corn	Oats	Rye	Barley
1933	132,938	100,514	58,569	20,034	2,614
1934	118,561	71,218	29,765	16,993	233

Total open interest now is 236,770,000 bushels against 314,669,000 a year ago.

Our market early was largely influenced by the much stronger cables for Liverpool futures, the advance amounting to almost 1 cent per bushel. Later the President's message to Congress was construed as being less inflationary than it might have been, and caused a temporary setback. However, there was some recovery from the lowest point reached. It is the old experience this season --whenever grain markets break on news, they quickly recover through actual demand. The almost-total absence of hedging sales and continued removal of same on account of sales from terminal markets by the consuming interests, gives a temporary sound foundation.

World's shipments this week promise to be about 7,500,000 bushels which would be much the same as they were last year, when they amounted to 7,422,000 bushels. However, the great difference will be in the countries which furnish the supplies: Argentine and Australia have cleared more than 5,000,000 bushels of wheat, Russia is entirely out of the market, and Canada again furnishes only a very small quota. Farmers' deliveries in the latter country for the last several days have been considerably less than last year, but nevertheless with the small sales for export, stocks in that country are not decreasing as fast as was expected, nor as rapidly as they should considering that there will be another crop in a little more than seven months.

Primary receipts of wheat today were light --216,000 bushels versus 187,000 last year, but shipments were quite heavy --446,000 bu against 197,000 in 1934. There is some wheat going out of public elevators right along; perhaps 200,000 bushels have been cancelled during the last four or five days, so that the red wheat stocks in public elevators will soon be reduced to about 1,500,000 bushels. This is a comparatively small quantity for as big a market as Chicago, considering there are no prospects of immediate replenishment. Hard and spring wheat stocks are bringing such big premiums that it is not likely they will be tendered on delivery during this crop. This situation causes a gradually slow widening of the nearby future compared with July. Kansas City, Duluth and Minneapolis so far this week show a decrease in their stocks of 757,000 bushels, and as Buffalo ought to decrease very heavily, and other markets moderately so, we look for another fair-sized decrease in the visible supply on Monday. At the close the wheat market was 1/4¢ per bushel higher.

Corn was relatively firm during the whole session; and this in spite of the fact that there is no improvement in Argentine prices, so that further importations may be looked for. We would judge that prospects there must be very promising at the present time, although w fully appreciate that much can happen before the crop is finally harvested. The present standing of the plant corresponds to that of about July 5th in this country; and our critical time is always during the months of July and August when most of the damage generally occurs

Chicago again had only ten cars of corn among its receipts today, with only one car for sale; so it is difficult to talk about the cash market, but good premiums would be paid for any sizable quantity which would be offered. Primary receipts were only 167,000 bushels against 482,000 a year ago, or only a trifle more than one-third; and this in a month when receipts usually are very heavy. Under these circumstances it becomes clearer daily that large consumers will have to depend upon stocks which had been previously accumulated at terminal points for their supplies, and will be unable to buy same in the country. At the close the corn market showed an advance of 3/8¢ per bushel.

Oats and rye fluctuated but very little, with no appreciable change in values.

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CHICAGO MERCHANTILE EX.

CHICAGO January 5th, 1935.

There is nothing encouraging in the wheat situation as far as foreign news is concerned; however, this may come later. Cables were again lower, and the trouble all seems to lie in Canada. The importing world looks at the huge stocks of Canadian wheat as given on December 28th, as 258,000,000 bushels compared with 241,000,000 last year; and this does not include farmers' stocks, which are probably 50,000,000 bushels. This news is also not concealed from the grain merchants of Argentina and Australia. It must at least be admitted that these two countries handle their task very well, and are selling their crops just as fast as possible, trying to get ahead of Canada, in which they are succeeding. World shipments, therefore, are largely coming from the southern hemisphere, but as Canada cannot forever keep her wheat, it is only a question of time until she will join the others in disposing of larger quantities. Until this is done, European millers and other consumers undoubtedly will hold off accumulating large stocks.

As far as the United States is concerned, almost every morning when weaker cables are reported a bearish sentiment develops, but immediately the strong domestic situation asserts itself and it seems impossible to keep the price down. There have been cancellations this week of almost 300,000 bushels of wheat in this city, and stocks are decreasing almost everywhere. This tendency will last until there is another harvest, which is about six months away. Primary receipts for the week were about as large as a year ago -- 1,293,000 bushels versus 1,215,000 in 1934. We think a great deal more duplication is going on. Shipments exceeded those of last season over 400,000 bushels. We look for a very heavy decrease in the visible supply; so far this week stocks at Kansas City, Duluth and Minneapolis decreased 935,000 bushels, and we would not be surprised if on Monday the total decrease would amount to close to 2,500,000 bu.

The President's message was no market factor. Those who had expected a very inflationary address were somewhat disappointed, as the President plainly stated that the proposed expenditures would be within the limit of the credit of the government. On the other hand, those who did their own figuring concluded that to put 3 1/2 million men to work, pay their wages, which ought to average close to $1,000 per head a year, amounting to 3 1/2 billion dollars, to which the cost of material would have to be added, would total a staggering sum. However, another group reasons that it would be almost impossible to put so many men to work in such a short time. Therefore, the total expenditure might be within reasonable limits.

At the close the wheat market showed an advance of 1¢ per bushel.

The experiences in corn today were similar to those in wheat. Argentine cables came lower again, and fears of importations are increasing, putting a great damper on speculative longs. However, when it is remembered that the shortage of feedstuffs is so unprecedentedly large, a moderate quantity of importations cannot replace but a fraction of the shortage; and when it becomes daily more apparent how great the needs are, sentiment changes rapidly.

Corn receipts continue to be extremely light for the week -- being 1,038,000 against 2,393,000 a year ago, and we look for another sharp decrease in the visible supply on Monday.

Oats and rye were also strong and closed higher in sympathy with the other cereals.

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CHICAGO MERCANTILE EX.

January 7, 1935

The wheat market was strong right from the opening, all on its own merit; we do not think that the anticipated inflationary budget message, on part of our President, which was confirmed afterward, had any effect. It evidently was discounted; but we still believe that when it is more closely analyzed it is bound to again create inflationary fears.

We conclude that a federal deficit of about four and one-half billions of dollars for the fiscal year of 1936 means approximately a total governmental expenditure of about eight and one-half billions of dollars, or more than $25,000,000 daily, an equivalent to about $1.00 for each family in the United States. If the expenses of the State, County and Municipalities are added to this amount, it is quite clear that sooner or later taxes will become burdensome to the citizens of even a rich country such as ours. Inasmuch as it is not proposed to raise any new taxes, borrowings will take place on a very large scale; and if new issues cannot be placed with the public in such amounts as are required, a new load will have to be assumed by the banks, which is not desirable and which might lead to some kind of inflation.

The brighter side of the message is the fact there is no intention to resort to either currency inflation, greenbacks or similar destructive measures. We also believe that in the budget estimates only the actual contemplated expenditures have been considered. Possibly bonus payments will have to be added and loans to various subsidiaries in case the Reconstruction Finance Corporation and Home Loan Corporation should require additional funds to carry out their recovery programs.

Strength in the wheat market during most of the session must be attributed entirely to continued maintenance of high premiums for the cash article, light receipts and decreasing supplies. Total primary receipts today were only 213,000 bushels compared with 342,000 last year. The visible supply showed a decrease of 3,442,000 bu compared with 2,365,000 bu a year ago and is now 41,000,000 bu less than it was in 1934 at a similar period. We have to go back to January 5, 1928 to find as moderate supply of stocks at terminals at this period as we have now. There was no time that we can recall when the outlook was so poor for replenishing stocks and, therefore, further depletion will take place right along. Perhaps it is a new record to see stocks decrease at practically every single point with the exception of New York where a trifling increase of 4,000 bushels took place; and even this was probably caused not by farmers' new deliveries but by shipments from the Pacific coast.

Foreign news is still more or less ignored, and correctly so. Liverpool cables registered an advance of one-half cent per bushel, but this was not so much as was to be expected after our rising prices of Saturday. World shipments were extremely small, only 7,500,000 bushels, much the same as last year; but North American contributions were 2,000,000 bu less, probably the lowest on this crop, and the lowest in years. It would almost seem as if Eng-

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land, the largest buyer, is trying her best to get along without Canadian wheat, feeling that while the Canadian government is supporting its home market with purchases, and while its Agent is offering grain at a price above the world's level, it will become a question of an endurance fight in which she will finally win out. It is a case of how long Canada's policy of holding wheat can continue without doing great damage to every country that produces wheat, making the world's wheat market an uncertain and a fictitious one.

There was a dampening influence on the bullishness in wheat on account of good precipitation in the western belt. We think that the dry area must have received about one-half inch or more of moisture in most places where it was so badly needed. The consequence was a weakening of the new crop futures not only in this market but all the southwestern markets, although the main old crop futures closed one cent per bushel higher than last Saturday.

The short crop of corn is being felt more severely as time goes on. Primary receipts were only 295,000 bu compared with 519,000 bu last year. The visible supply decreaaed 1,455,000 bu whereas last year it decreased 749,000 bu; and the total is now 26,000,000 bu less than it was then. When further consideration is taken of the fact that farmers need practically all their corn at home and have nothing to spare for terminal markets, we can see only continued strength in the situation and believe that July and September corn are selling at too big a discount under the nearby future. We think that, even with Argentine importations, when July and September arrive, corn at many places far distant from the sea port will command higher prices.

Oats and rye advanced in sympathy with the other cereals.

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CHICAGO MERCHANTILE EX.

CHICAGO January 8, 1935.

The most momentus decisions at Washington appear to leave the grain market unaffected at the present time, and actual conditions influencing cereals seem to be the determining factors. Therefore, both the proposed extravagant budget and the adverse decision in the oil case, which may or may not be far-reaching, were ignored. On the one hand, much attention was paid to the daily steady purchases of futures on part of mills, and on the other, to the much more favorable weather in the wheat belt. Foreign news, as usual, played a sentimental part, and the continued weakness abroad brought about liquidation at times, offsetting the removal of hedges on part of consumers. The more favorable weather is depressing the further deferred futures, but we do not share the pretty generally expressed opinion that we necessarily enter a period of abundance the moment the new crop starts coming on the market. Therefore we do not think that the big discounts are justified, particularly as the crop is by no means made, and there are bound to be many crop scares before harvest, as is always the case. We assume that at least in the southwest the demand for the new wheat will be on an extraordinarily large scale. The mills in the northwest for six weeks anyhow will depend on the new crop arrivals, as the spring wheat will not be available in commercial quantities until the middle of August. Furthermore, corn in the southwest will be almost exhausted by that time, and with new wheat so much cheaper than corn for animal feed, consumption might assume fantastic proportions. In the meantime there is no new pressure in the way of sales of futures, except from tired longs.

Primary receipts were only 173,000 bushels compared with 239,000 a year ago, and shipments were 267,000 bushels versus 214,000 in 1934. The day after the visible supply statement there is already a decrease of 199,000 bushels in stocks at Kansas City, Duluth and Minneapolis, indicating another good decrease in the visible supply next week. At the close of the market the old crop wheat future was unchanged.

An estimate by one of our prominent crop statisticians on the amount of corn left in farmers' hands on January 1st, of only 700,000,000 bushels to 750,000,000 bu, caused a great deal of comment. We figure the situation on October first was as follows:

Corn as grain (and a large deduction was made for corn raised but put in silos, etc. and not merchantable) was - - - - - - - - - - - - - - - - - -	1,107,000,000 bu
The visible at that time was- - - - - - - - - - -	60,000,000 "
The amount in farmers' hands- - - - - - - - - - -	264,000,000 "
or a total of - - - - - - - - - - - - - - - - - -	1,431,000,000 "

At the present time the visible is 41,000,000 bushels, and if on farms there are no more than 725,000,000 bushels, or a total of 766,000,000 bushels, it would mean a disappearance in three months of 665,000,000 bushels. Therefore the supplies left would be only a trifle more than three months' consumption at the same rate as has been going on since October first. There is no reason to suppose that ordinarily with all the cold weather in sight, the demand would not keep up. Therefore, it is quite plain that we are depending upon importations to feed our animals, even if the requirements are reduced to a minimum. This in our opinion can only mean higher prices later on.

In the meantime the situation is also getting stronger statistically all the time. Primary receipts today were only 238,000 bu. against 321,000 last year; shipments were 331,000 bushels compared with 279,000 in 1934. The demand keeps up, and cash owners find no difficulty in making sales both in the southwest and here at very stiff premiums. At the close the corn market was practically unchanged for the nearby futures, with September gaining materially.

Oats were about unchanged, and rye closed somewhat weaker, influenced by hedges presumably from foreign imports.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO Jan. 9, 1935.

Washington's large financial programs have no influence on the grain markets at the moment. It is assumed that for the present the good credit of our government is not in danger unless recurring deficits in the budget would continue, but such a possible contingency is not being discounted at present.

Cables were about 1/2¢ higher; foreign markets being influenced by very cold weather which might possibly do some damage to the winter wheat crops, and also might increase the amount of cereals needed for animal feeding. Otherwise there were no new factors to influence sentiment here, but the old ones prevail and come to the front every day, viz., removal of hedges on part of millers, as they are compelled to come to terminal markets for their purchases. The small amounts which they can buy direct from the country are not sufficient to keep them going

Primary receipts were again very light --164,000 bu compared with 233,000 last year, and shipments were 378,000 bu compared with 381,000 in 1934. Stocks at Kansas City, Duluth and Minneapolis so far this week show quite a heavy decrease again --365,000 bu. At practically every point decreases will probably take place this week, and the inroads on the total visible supply next Monday should be quite considerable.

Trade was rather light, operators being anxious to see what the government report to be issued tomorrow will show as to the amount of wheat left in farmers' hands, and from which the proper deductions can be made as to the disappearance of wheat during the last three months. Considering that wheat feeding to animals was on a larger scale, it is anticipated that the stocks left on the farm will be small compared with previous years. Wheat stocks in the biggest southwestern market, Kansas City, reached the high point this season on August 11, when they were 33,089,000 bu. They declined up to January 5, 1935, to 19,418,000 bu, or a decrease of 13,671,000 bu in less than five months. It is fair to assume that the demand from now on will be bigger than it was during the past five months and the receipts will be lighter, so a reduction to a minimum is therefore in sight.

It is fortunate that Canadian farmers' deliveries show a sharp falling-off compared with last year, being only 160,000 bu compared with 399,000 similar days in 1934, because that country again cleared, according to Bradstreet, during the last week only 1,611,000 bu compared with 4,062,000 bu last year, and the total since July 1st, of 24,000,000 bu less. This is all the more disappointing because early in the season with the shorter crops in Europe, it was anticipated that not only the importing countries would require a greater total than in 1934, but also that Canada would be able to get a proportionately larger share of the requirements, and thus reduce her burdensome stocks. On January 4, however, Canada had available for consumption and export, almost 258,000,000 bu of wheat compared with 240,000,000 last year, or 18,000,000 more. This does not include the stock in farmers' hands, which, however, probably is very small as indicated by the falling-off in the first-hand movement. At the close the market showed a decline of 5/8¢ per bushel.

The corn market did not show quite the same firmness as of late, but we think this was simply a market condition. At one time there was some very heavy selling going on in the July future, supposedly for some foreign interest by unwinding a spread, and with the light speculation one important order can temporarily change the trend. However, inherently nothing has changed. Receipts continue to be light, 228,000 bushels, and shipments were 389,000, indicating a further decrease in stocks. The cash premiums everywhere are keeping up, and of course when delivery time comes around, such large differences between cash and futures cannot continue, or else there would be no deliveries. We believe it is a safer proposition to assume that the futures will gradually work up to the cash premiums.

Oats and rye also weakened somewhat in sympathy with the other cereals.

UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

January 10, 1935

In normal times when speculation functions properly, future events are anticipated. Accordingly, when opinions are formed either way, speculative engagements are entered into and greatly overshadow daily occurrences. Just at the present time the opposite is taking place, inasmuch as so many uncertainties exist in the political field, possibly having far reaching effects, the outcome of which is unforeseeable.

Our open interest in wheat futures has, therefore, been declining steadily, and daily fluctuations depend a great deal upon whether or not more or less cash wheat is sold. Removal of hedges for wheat sold to consumers has been the most steadying influence, having taken the place of prospective buyers who otherwise might have made purchases for future deliveries in anticipation of higher prices based on the supply and demand situation.

Primary receipts of wheat were again very light, only 167,000 bu compared with 226,000 last year; and shipments were almost double, being 316,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 548,000 bu., indicating a prospective large decrease in the visible supply next Monday.

Trade was almost at a standstill at times, everybody awaiting the government report which will be issued this afternoon at two o'clock, which is after the close of our session. We do not believe such interest was ever shown in this prospective report which will give the amount of wheat left on farms. Without trying to make any close prediction, we are convinced the amount will be considerably less than in any year since January 1, 1927. Comparisons are as follows:

January 1st

217	millions of bu	1927
210	"	1928
268	"	1929
222	"	1930
259	"	1931
323	"	1932
273	"	1933
194	"	1934

After the figures are given out this afternoon comparisons may be made, which we assume will be bullish.

Cash premiums were again fully maintained today, and the milling demand seems to be as good as ever. Our importations of Canadian wheat into United States bonded mills up to the end of the year were 5,297,000 bushels; and importations for consumption, up to December 22, 1934, amounted to 6,257,000 bu., or a total of 11,554,000 bu. United States official exports of wheat and flour from July 1st to Nov. 30th, 1934, were 11,649,000 bu. which amount practically offsets the importations. Therefore, up to the present time there have been no additions to our stocks of domestic wheat. In fact, inasmuch as practically all the imported wheat for consumption was, or will be used for feed and seed,, there is likely to be a net export at the end of the year, as far as wheat for human consumption is concerned.

(OVER)

Cables were a trifle lower, although the decline was not quite so much as ours of yesterday. However, little attention was paid to foreign news. The fact that Liverpool could not maintain its advance of yesterday, which was caused by more unfavorable weather, shows great hesitancy abroad, and until this changes it will have a deterring effect on some traders from engaging on the bull side. At the close the market showed an advance of 3/8¢ a bushel.

The corn market showed hardly any fluctuations whatsoever, as everybody is awaiting the government's estimate on Farm Reserves. However, the figures will not be known until after the close of the session. Mr. Nat C. Murray estimates same will be 700 to 750,000,000 bushels, which amount would compare with other years as follows:

1,459,000,000 bu	1927
1,447,000,000	1928
1,435,000,000	1929
1,390,000,000	1930
1,118,000,000	1931
1,556,000,000	1932
1,807,000,000	1933
1,423,000,000	1934

Any small variation from these figures would not be important as anything below 800 million bushels would indicate an absolute scarcity and should be bullish in the long run. The government's figures, by comparison with other years, will no doubt be very startling, and probably will confirm our oft expressed opinion that only with great economies and importations will there be enough feed for our animals. At the close the market showed an advance of 3/8¢ a bu.

Oats showed independent strength; but rye was suffering from fear of further importations.

The fact that the constitutionality of the gold clause is being argued before the Supreme Court is causing great hesitancy on part of traders and prevents them from making new commitments. However, as neither foreign exchange markets, nor the stock market, were influenced either way by the possible outcome of the final decision, it is assumed that one way or another the monetary action, on part of the government, will be sustained.

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CHICAGO

January 11, 1935.

Everybody had been anxiously awaiting the government report yesterday, as it was assumed that the estimate of farmers' holdings would create an upward or downward movement according to the figures given out. The amount estimated to be in farmers' hands of 136,000,000 bushels of wheat was about as expected, and ordinarily would have been construed as rather bullish. About 15 or 20,000,000 bu of that will be required for spring wheat seeding, and would leave only a comparatively small amount to be marketed during the next six months. The figure also is so much smaller than any previous report issued for the last eight years that it might almost be considered sensational.

However, nobody paid any attention to same today, or to any grain statistics, as a matter of much more importance is absorbing the minds of traders. While it had been known for a long time that the validity of contracts under the gold clause would be argued before the Supreme Court, nobody questioned much the outcome of the decision, but now there is no such unanimity of opinion that the constitutionality of abrogating gold contracts will be declared in favor of the United States government. Should there be an adverse decision, nobody can tell all the effects it would have. As far as grains are concerned, we all know that our prices are based on the devalued dollar, and any change in another direction would make them appear very high. Also on a different standard for money, importations of both wheat and corn could take place in this country to much better advantage, but this again could be offset by higher tariffs. However, the possibilities of what might happen are so many that it would take volumes to discuss them.

What actually happened today was a very severe liquidation on part of many frightened holders, who disregarded everything else and did not want to own any commodities until they know for sure with what kind of money they can be paid. As long as this lasts we presume there will be little new speculative buying, and we can only expect an upward movement if the cash demand continues to be the dominant factor, or until we know more about what our future standard of money will be.

The cash business was very good again today, at unchanged premiums, receipts were light, only 184,000 bushels versus 296,000 a year ago. Shipments were very heavy, 507,000 bushels against 318,000 last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 690,000 bushels, indicating a large decrease in the visible supply on Monday, This, however, will compare with a decrease last year of 3,217,000 bushels; and it is doubtful whether this week's will be equally large.

Great uncertainties are bound to prevail now for some time, but it is quite sure that if the Supreme Court's decision is favorable to the government a rampant bullish market might develop. Otherwise, even the scarcity of grain would be ignored, and lower prices at least for a time would exist. At the close the wheat market was 2 1/8¢ per bushel lower. However, the July future did not decline quite that much as the open trades in same are more limited, and liquidation naturally was mostly in the May future.

The situation in corn was very similar to that in wheat. The low estimates on farm reserves were entirely ignored, and also no attention was paid to the light receipts, same being 264,000 bushels compared with 675,000 in 1934, while shipments were quite heavy, 334,000 bushels versus 281,000 a year ago. At the close the corn market showed a decline of 2 1/4¢ per bushel.

Oats and rye sympathized with the decline in the other cereals.

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CHICAGO January 12, 1935.

Grain traders at the present time are not discussing statistics, nor the present or future values of cereals based on supply and demand, but have shifted their entire attention to the far-reaching effects to be expected when the Supreme Court gives it decision in regard to gold clause contracts. Inasmuch as nobody can read the minds of the judges, uncertainties will prevail probably for a couple of weeks. To the layman, the government has not presented a very convincing case for itself; but on the other hand, it is fully recognized that on account of expediency a favorable decision might yet be obtained. Nobody knows.

It is well to consider in the first instance, what is likely to happen during the period of the next few weeks. There may be a steadying influence right along due to the persistent good cash demand and light receipts, but it is not likely that any great speculative ventures will be undertaken until more is known about the all-important matter.

It should also be taken into consideration what will happen in the commodity markets the day following the decision. Needless to say, if the government's attitude is sustained there will be a big bull market and prices probably will be higher than they had been before the question arose. Should the decision be adverse, the immediate results would be the greatest chaos. Without a positive knowledge of what the future basis of our currency would be, international transactions would almost be impossible. Companies which have a large amount of gold bonds outstanding would immediately have to figure that their obligations, on the devalued dollar, would be correspondingly increased without revenue compensation for them. If actually carried out, it would lead to numerous bankruptcies. Undoubtedly the government, through injunction suits and other remedies unknown to us, would probably delay at least for a time such great punishment to those who had assumed the payment of gold bonds or mortgages on the old basis. The depreciation of currency through issuance of greenbacks or other inflationary measures, would not be a help to them, because in proportion as the currency would depreciate the value of their obligations would increase. Another remedy --namely, the restoration of the old gold dollar, would work hardships in a different direction; all commodities would be immediately deflated, importations would take place on a large scale, business in general would suffer, and the whole recovery program would receive such a setback that the depression would not only continue for years to come, but might even become worse. In fact, it is the outlook of this grave consequence which leads hope to the belief that the government's action might finally be sustained, even if it is acknowledged,as during the War, that for the preservation of the Nation strictly legal technicalities must be overlooked.

Hope is eternal in the human breast, and trade in general took this attitude; although a few frightened holders right after the opening prepared for the worst, and heavy liquidation took place at one time. If the same situation had arisen in previous years there is no question that a very sharp decline would have occurred, but this season on account of the shortage of the crops, millers have to come in the market right along, which is a great sustaining help.

The open interest yesterday declined again 1,752,000 bushels, which shows great power of absorption on part of the consuming interest. Primary receipts were only 210,000 bushels versus 252,000 a year ago, while shipments were 318,000 bushels. So far this week stocks at Kansas City, Duluth and Minneapolis decreased 829,000 bu. At the close the wheat market was practically unchanged.

Corn showed a very firm tendency after the first liquidating sales were absorbed; the market closed just a trifle higher. The fundamental situation of this cereal is so strong that it asserts itself from time to time, in spite of the obstacles above mentioned. Primary receipts were only 227,000 bu against 615,000 in 1934.

Rye and oats closed practically unchanged, and during the session more or less followed the other cereals.

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January 14, 1935

All commercial and financial interests have in mind that the interpretation of the gold clause law enacted by the government will be a far reaching influence on the immediate future of this country. Possibly the most momentous decision of this century is to be made by the Supreme court next month. It is probably of greater consequence to grain commodities than to any others, because in this particular year our present prices are entirely out of line with the balance of the world on account of the drought and comparative scarcity. This so much so that despite extremely high tariffs and the devaluation of the dollar, we are on an importing basis for most cereals, and with higher gold values for our dollar, this anomalous situation would be corrected at once through heavy importations which naturally would break down our whole price structure. Therefore, a governmental defeat would be very serious for many interests, particularly so for the farmer who has contracted for a gold mortgage on which he would have to pay $170 for every $100 gold bond, thus losing the difference, and in addition his produce would be so much depressed in price that he would be less able to pay even the smaller amount of the obligation, much less an enhanced one. This thought, more than any other, leads most economists to believe that when the court takes everything into consideration, it will not overlook the public interest. Therefore, a favorable decision for the government is expected by many, or at least no wholly adverse decision. Ways and means might then be found not to upset our present monetary system to which we have now become accustomed and to which adjustments have been made.

With this prevailing feeling there is no panicky liquidation such as would take place otherwise. However, many are reasoning that uncertainties will exist until at least February 4th, this being the earliest date that a decision is expected inasmuch as the Supreme court adjourns on January 19th and will not reconvene until then. It is quite unlikely that for the present many long speculative engagements will take place, and therefore unless the consumptive demand takes care of liquidating sales, in the meantime no great upturn is expected. This is all the more unfortunate as the news generally is rather in favor of holders.

Primary receipts continue to be very light, only 283,000 bu compared with 433,000 last year. The visible supply shows a decrease of 3,071,000 bu compared with 3,217,000 bu in 1934, but considering that our stocks have been reduced so much, the inroads are very great and the total now has been reduced to 78,000,000 bu compared with 119,000,000 in 1934, or almost 41,000,000 bu less.

In analyzing the last government report of stocks in farmers' hands, we find that stocks in Kansas and Nebraska are only about 26,000,000 bu compared with 37,000,000 bu last year; and that North Dakota, South Dakota and Minnesota have only 20,000,000 bu left compared with 57,000,000 bu in 1934, practically on an average of half as much as they were in 1934 in those states, and it makes it quite certain that the largest part of the milling demand will have to be supplied from those who have accumulated this article before.

The foreign situation is being ignored absolutely. Cables were practically unchanged. World shipments were 9,357,000 bu compared with 10,550,000 last year; they compared with 16,632,000 two years ago, and indicate continued indifference to the desire of accumulating supplies, evidently based on smaller consumptive demand.

(OVER)

Canadian farmers' deliveries show a great dropping off, being 1,187,000 bu during the past week vs. 2,158,000 bu a year ago, but that country is also clearing but small quantities, during the past week only 1,766,000 vs. 4,723,000 bu, which then included some small quantity from United States; and therefore the situation is not improving greatly.

As the session advanced less and less attention was paid to actual conditions, and the fear of the future uncertainties made it impossible to absorb even small liquidation without sacrifice in prices. The close showed a decline of 1 1/4¢ per bushel.

Corn was affected similarly as Wheat for the same reasons. Europe seems to be absorbing enormous quantities, world shipments being 7,639,000 bu compared with 6,175,000 bu last year. Nevertheless, Argentina is sending new low quotations every day, evidently anticipating a large crop or one which will be better than those of previous years. This has a rather depressing effect here, particularly on the deferred futures by which time arrivals from the Southern Hemisphere might be very large. However, the domestic situation remains strong, receipts being only 431,000 bu at primary markets compared with 1,056,000 bu last year. The visible supply showed a heavy decrease of 1,842,000 bu, reducing the stocks at all terminal points to 38,000,000 bu, or about 26,000,000 bu less than the previous year when they were finally practically all absorbed.

Oats and rye declined with the other cereals.

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CHICAGO January 15, 1935.

The great weakness in sterling and French exchanges was a clear indication today that foreigners also are becoming scared about the outcome of the decision of the gold clause. Fears on that score seemed to spread to Wall Street too, where both gold and silver stocks showed very sharp declines. This feeling extended to all other markets, cotton as well as grain; in the latter, declines were very severe in spite of the comparatively strong statistical situation. The final decision will remain a debatable question until the actual results are known; but the more chaos is being created now, the more likely, in our judgment, will it be that the verdict finally will be in favor of the government inasmuch as public interests have always been considered by the Supreme court when similar great questions arose. After all we have to assume that everyone of these judges before they became jurists were human beings, and they still are --they read newspapers and keep in touch with the people --their wishes and their interests. Taking all this into consideration, while it is possible, it would be rather contradictory to past experiences that a decision would be rendered inimical to the immediate welfare of the Nation. If the past is a criterion, most calamities which were expected did not materialize, and this may be a repetition, because even if we assume the worst, there are still possibilities that Congress might counteract the worst effects with some new legislation. Just about an hour before the close a rather reassuring, but not altogether convincing, statement was given out by Washington. It only required a hint to assure traders that there are at least two sides to the question, short covering took place, bringing about a reaction from the lowest point, but same did not hold, and the close was practically at the bottom prices of the day, total decline being about 3¢ per bushel.

As far as grains are concerned, not only great liquidation has taken place, but also a large short interest has been created, and with any change in sentiment prices could advance as quickly as they declined. This particularly so, as the inherent situation is actually getting stronger rather than weaker. Primary receipts of wheat were again light, only 238,000 bushels compared with 277,000 a year ago, and shipments were larger than the receipts, amounting to 333,000 bu. Total stocks in Chicago are only 5,241,000 bushels, having decreased last week 289,000 bushels, or about 5 per cent; and with no chance of replenishment, it is quite certain that there will be little left here for deliveries when May comes around. The visible supply when it reached its maximum last year on September 22, was 112,803,000 bushels; up to the present time it has declined to 78,000,000 bushels, or a decrease of 34,000,000 bushels. This happened in considerably less than four months, during a period of larger farmers' movement than may be expected from now on. Consequently, it is evident that stocks at all terminal points will be heavily reduced before another crop can possibly be harvested. Since yesterday, when the visible supply statement came out, stocks at Duluth and Minneapolis already show a decrease of 247,000 bushels, indicating that the same tendency which has prevailed for so long is continuing.

The world's situation is not very encouraging. Canada has missed her market, and her mistakes cannot be corrected. It is too late now to undo the damage which had been done. Their visible supply is so large that with only moderate reductions in sight, and as long as Argentina and Australia are marketing their crops now, this is sure to lead to a very heavy carryover next season.

Corn receipts continue to be very light, 257,000 bushels compared with 688,000 last year; and while the receipts are so much smaller the shipments are much heavier, being 504,000 bu versus 354,000 the season before. Every day most every terminal market is selling more than can be purchased, and the inherent situation is getting stronger all the time. Nevertheless, frightened owners are liquidating, and as long as the many uncertainties exist, new buyers are hard to find. If the scare had not interfered with the market, we believe that by this time corn would be selling as high as ever. This in spite of the fact that Argentina sends lower prices almost daily; but we believe we can absorb a great deal of the importations --in fact, they probably will be needed to feed all our animals. The close showed a decline of 3 7/8¢ per bushel.

Oats and rye suffered in price in sympathy with everything else.

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CHICAGO January 16, 1935.

A much calmer feeling was evident today regarding monetary matters. The signs were many that extreme fears which had prevailed yesterday pertaining to a possible unfavorable decision on part of the highest court on the gold clause, have subsided. Foreign exchanges had improved, gold stocks were higher, there was a generally better feeling in Wall Street, and all our grain markets opened considerably higher than yesterday. There was more inclination to make purchases, although some frightened holders still liquidated early in the session.

As far as cereals are concerned, of course, the knowledge that stocks are being steadily reduced, that premiums are very high, and that the outlook for heavy deliveries when May comes around are likely to be very small, all tend toward a bullish feeling, unless it should be upset by outside considerations. Milling sales have beenextremely good during the last twenty-four hours, with unchanged high premiums, and weather reports lately were not particularly favorable. The Kansas City weekly weather and crop report states there has been little or no rain in the western half since Jan.7. While there was a good deal of moisture today again, western Nebraska and Kansas had been forgotten --in fact, dust storms are reported through the Panhandle extending to Kansas. It is very early for the market to be affected by crop conditions, but yet in face of the big discount of July wheat more attention is being paid to weather reports than ordinarily, and there was a distinct narrowing between May and July futures.

Primary receipts continue to be exceedingly light, only 177,000 bu compared with 284,000 last year; and shipments were 395,000 bu. In consequence, Kansas City, Duluth and Minneapolis show already this week a decrease of 466,000 bu, indicating another very large decrease in the visible supply on Monday.

A statement in the New York newspapers to the effect that Mr. McFarland, the manager of the wheat pool in Canada, has expressed himself to the effect that there is no present intention of taking off the peg. This would mean that May wheat for the present could not decline below 80 cents, and it had a strengthening influence on Canadian futures, which advanced quite sharply. However, with the great dissatisfaction in England, where Canadian wheat has a preferential tariff of approximately 5 cents a bushel compared with Argentina, and that in spite of it millers are not in a position to buy the Canadian wheat in competition with others, is causing great dissatisfaction. Nobody knows how long this artificial situation in Canada can be kept up. It is quite sure that something must be done to correct this untenable position there. According to Bradstreet, clearances from Canada this week were again only 2,000,000 bu versus 4,000,000 last year.

Fluctuations were many during the day. There is a great deal of tension, but at the close the feeling was quite firm, with an advance over yesterday of 1 1/2¢ per bushel.

The corn situation inherently is even stronger than that of wheat, because only with the strictest economies shall we be able to feed our animals until another crop is harvested, and large importations in addition will be needed to accomplish same. Under these circumstances, and as the farmer will need most of his corn at home, receipts most likely will continue to be light --today they were only 234,000 bushels compared with 500,000 last year. Shipments were 322,000 bushels, showing that a steady inroad is being made on terminal stocks. At the close the corn market was 1 1/2¢ per bushel higher than the previous session.

Oats and rye all closed higher in sympathy with the other cereals.

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CHICAGO MERCHANTILE EX.

January 17, 1935

Liverpool was quite indifferent this morning, some of their quotations being higher and others lower, but in any event they did not heed the recoveries which took place either at Chicago or in Winnipeg. It is not particularly surprising that foreign markets do not follow the trend of domestic prices, as we are too far from an export basis to be a factor. Furthermore, the shortage brought about by politicians and drought has put us in a position so we can be fairly independent, for the time being at least, of prices abroad and the usual relationships between Chicago and Liverpool do not exist at all this year.

In Canada, however, the situation is far different, and even though Mr. McFarland stated yesterday that the pegged prices would continue, this failed to furnish much enthusiasm abroad, as it simply indicates that, unless Canadian prices come more into line with other world values, exports will continue extremely small. They fell by 4,000,000 bu last December and the outlook is little better at this time. Fixing of prices for various commodities has been the plaything of theorists and politicians for a great many years, and public money in many instances has been used to support market ideas of various officials. In Canada, with the comparatively small population, this is a dangerous step, and unless care is taken in years of small crops to dispose of surpluses no one can predict what the final results will be when they again enjoy normal yields. This would undoubtedly result in abandoning fictitious attempts to sustain values.

We dwell upon this at great length because we consider that the Canadian policy will finally prove dangerous to wheat prices everywhere. For the six years preceding the war, Canada furnished only 15 per cent of the world's wheat and flour exports. Acreage expansion, however, changed the picture entirely, and between the years 1925 to 1929, her proportion rose very abruptly to 42 per cent, and this percentage was practically maintained during the period of 1932 to 1934, when Canada furnished 41 per cent of all the exports. While all this has been going on, Argentina has been climbing to the foreground and using a similar basis of comparison, she furnished 15 per cent of the world's requirements in those six years before 1914. It rose to 18 per cent from 1929 to 1932, and in the last two years this was increased to 22 per cent, which should in itself be a warning.

Australia has also become an important factor and her figures show about the same proportionate rise as in the case of Argentina. In the last two years she furnished 21 per cent of the world's shipments.

This rather lengthy expose is entered into because it shows how quickly nations are replaced with others unless their policies are right. During the period 1932 to 1934 United States furnished only 5 per cent of the world's wheat and flour requirements. Of course these were drought years and are probably somewhat exceptional; but with the governmental policy of taking land out of production, we have declined from our once preeminent position as an exporter of grains. At the beginning of this century, United States was furnishing half the wheat supplies for world requirements and even during the war when other countries had increased acreages, 45 per cent was being furnished by us, which continued until the end of 1922.

(over)

Russia, as we all know, which at one time was one of the important exporters, has scarcely been a factor in the last few years.

Aside from the disturbed feeling as to what might finally befall Canada, should their political policies be changed, there was little to influence traders in today's markets. Foreign exchanges for the most part were quiet and the stock market did not indicate either fear or confidence over pending decisions of our Supreme court. Most people have concluded that the administration will endeavor to work out some sort of solution even if the court rules adversely on gold clause contracts.

Today's receipts were extremely light, primaries being only 136,000 bushels of wheat compared with 316,000 last year. Decreases at Kansas City, Duluth and Minneapolis total 685,000 bushels, showing that wheat is going into consumption at a rapid rate. This was the sustaining influence today with mill buying of futures against some liquidation by tired longs.

Other cereals followed more or less the trend of wheat.

Corn receipts were also small compared with last year - 249,000 bushels today versus 586,000 bushels at that time.

Russia shipped 490,000 bushels of oats to the United States this week, but this apparently had very little influence upon values.

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CHICAGO MERCHANTILE EX.

CHICAGO January 18, 1935.

Sentiment generally is more composed, and the early fears which arose from the belief that an adverse decision by the Supreme court might be rendered, have been somewhat dispelled. In place of this we find that thoughts are now leaning in the other direction, and with markets generally well liquidated, there is developing some concern as to what Congress might do in the way of inflationary measures.

Regardless of what the ultimate High court decision might be, it is felt in one way or another the administration will meet this situation satisfactorily, and inasmuch as grains and securities have held relatively firm during the period of anxiety, it is well to consider that if the 59-cent dollar is maintained that we might enter into a period of prosperity and greater confidence.

Productive activity and employment were in December 1934 almost precisely where they were the year previous corresponding month. Business, however, had been on the upgrade prior to the litigation of gold contracts. Although in the interim it has prevented certain businesses from increasing inventories. With the Supreme court adjourning at the end of this week to consider matters from all angles, it is quite likely that it might render a decision early in February. This, of course, is only a guess on our part, but we have mentioned before that the justices are all human beings, and as such they have in mind the public interest, which may receive primary consideration.

There was unexpected strength in Liverpool markets today, which was somewhat surprising in view of the indifference of Argentine quotations. We doubt whether yesterday's strength in Canada was a factor at all, as European requirements will soon be supplied to a larger extent by southern hemisphere offerings. Apparently the Canadian authorities have failed to take into account diminished European requirements in the last ten years. During the period of 1923 to 1929 total wheat shipments to Europe averaged 638,000,000 bu. In the last two years this was reduced to 424,000,000 bu. Foreign quotas, increased acreages, high tariffs and substitutes in an effort for European countries to be more and more self-sustaining, together with the fact that exchange fluctuations made business more difficult, rather had the effect of reducing imports abroad. The depression period has made practically every European country hold its purchases down to minimum requirements, and in spite of a preferential tariff into England favoring Canadian wheat, lower Argentine and Australian offerings, have resulted in the latter countries acquiring the larger share of business.

Domestically our wheat situation is on a sound foundation. The moisture question is still a factor, and we have no doubt that unless there is considerably more rain or snow over a large area that crop scares in the next six weeks will be received. The indications are for some precipitation overnight or tomorrow in the southwest. In the meantime dust storms have been reported in parts of Kansas, Oklahoma and the Texas Panhandle, which are very unusual for January when much of this territory is often frozen. According to the Shannon Grain Co. of Kansas City, in discussing Kansas conditions, they claim that a very large territory is in a very precarious condition, and that it will take more than the normal amount of rainfall, at the right time and falling in the right way to bring about anything like a normal crop. In other words, they mean that moisture must come with intermittent regularity rather than a single downpour and then a period of dry weather following.

In addition to this, stocks are decreasing; so far this week there is a shrinkage at Kansas City, Duluth and Minneapolis amounting to 798,000 bushels. The primary movement keeps light, just about one-half of what it was last year --230,000 bushels being received today against 455,000 at that time.

Corn enjoyed firmness in sympathy with wheat, although buying in this commodity was not very aggressive. Traders noted that the primary receipts were only 271,000 bushels compared with 706,000 last year. It is true that 681,000 bushels of corn were shipped from Argentina to the United States this week; and the U. S. will no doubt absorb a considerable portion of this Argentine corn, but with a shortage of all feed-grains it is almost necessary that this be the case, otherwise there might be an actual scarcity.

There were also 675,000 bushels of oats shipped from Argentina to this country, but it had very little effect upon values.

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January 19, 1935

There were newspaper discussions calling attention to the possibility of a ruling on gold contracts by the Supreme court on Monday. There has been precedent for quick decisions of this character with opinions following, although nobody knows definitely whether action of this type shall be entertained by the nine justices, or if so, at what time of the day such a decision might be rendered. It is thought, however, that if nothing is forthcoming on Monday, there will be a further delay until February 4.

The securities market paid very little attention to this possibility, but grains at the opening were firm, influenced probably also by a prediction of cold weather, and the weekly forecast suggesting temperatures below seasonable. It is also likely that in addition to the moisture already received, the southwest will be visited with rain or snow either tonight or Sunday, and possibly the western sections of Kansas, which have been missed so far, shall be favored.

Winnipeg also was stronger, but advices from that market are to the effect that quotations are more or less meaningless, inasmuch as the government pool is in possession of practically all the hedges against the cash wheat. Under this circumstance, the nearby month is ruling at a premium over July, which is certainly exceptional, taking into account the large quantities still left in that country. According to Sanford Evans there remains a balance for export as of January 11, of 284,129,000 bu of wheat, which is only about 9,000,000 bu short of last year, despite a smaller crop and a shorter carryover. We doubt if the officials in that country are cognizant of all facts, and we wonder whether or not they take into account that for the five-year average; viz; from 1922 to 1927, the North American carryover averaged only 166,000,000 bu, while at the start of the present crop-year we had a total of 493,000,000 bu. Generally speaking, when a squeeze starts as early as apparently is the case in Winnipeg May wheat at the present time, something happens later on to change the minds of holders, and we are rather fearful that something of this character will happen long before delivery date.

We appreciate that the United States farm board carried about 254,000,000 bu of cash wheat in trying to stabilize prices, but even then that situation was somewhat different in a country of 125,000,000 people as compared with a population of 10,000,000, which is Canada's status. Her export trade had always been built up on the theory that the best policy consisted of clearing the bins at the end of the season to make room for the following year's production, and any new or untried method could certainly prove costly should nature favor that country with average yields in 1935.

It is difficult for us to visualize just what the Canadian officials have in mind. With virtually all of the wheat in Canada marketed, any pegging of futures cannot help the farmers at this late date-- in fact, it will only hurt them next year, on account of the larger carryover which it brings about. It therefore looks more like a plan for personal aggrandizement than anything else.

Primary receipts of wheat were light today-- 174,000 bu compared with 395,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a total decrease so far this week of 902,000 bu; and this suggests another sizable decrease in the visible supply on next Monday. Canadian marketings were small, 168,000 bu versus 574,000 bu; and as stated before, on such a small amount the farmer benefits in a relatively small way only.

Corn came in for a larger share of support today. Routine news was about the same as heretofore. Primary receipts amount to 337,000 bu against 640,000 comparable period the year before.

The close in all cereals was strong, and we believe that most people prefer to be long rather than short over the period when a Court decision might be rendered.

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CHICAGO January 21, 1935.

Moisture over the weekend had been fairly general, followed by much colder weather, but this was not much of a market factor, as a great many traders early in the session were of the belief that a decision might be rendered today by the Supreme court, ruling on gold clause contracts.

Quotations at Liverpool were somewhat disappointing, being weaker in spite of the strength at Winnipeg on Saturday. We believe that the English buyers are fully aware of the large stocks still remaining in Canada, and they feel somewhat embittered because of the fact that they tried to favor their colonies by granting preferential tariffs; in return Canada was trying to uphold prices in an effort to obtain higher than the world's levels for her wheat. The situation in Winnipeg has been such that new commitments are being discouraged. Ever since the price of their May wheat last week touched 80¢, which was the pegged figure, shorts, and especially elevator companies, have become nervous. Some congestion was evidenced by the fact that speculators found it rather difficult to cover sales, and the price advanced rather sharply. However, in the final analysis the market will dwindle down to just the government on the one side long futures against the cash wheat, and the elevator companies which will be forced to deliver out on contract. If this is the case, shippers will do the smallest amount of business, and the farmer, as we pointed out Saturday, will be damaged rather than helped.

Towards noon the Supreme court adjourned without any decision on gold contracts. This, in our opinion, is not significant either way, as the problems involved are of such import that no doubt the high court must consider issues from every angle. It now appears as though no decision could be forthcoming until February 4. Many of the cases pending are so complicated that it will require a great deal of thought to satisfy all parties. In many cases makers of bonds had promised to "pay in gold coin of the United States of America of the present standard of weight and fineness." This must be considered on the one hand as well as the public interest on the other, and the result is that the decision of the court will probably be one of the most important ever handed down.

Domestic grain news generally favored holders, and the visible supply of wheat decreased heavily, shrinking 2,952,000 bu. Receipts everywhere are very light, and we expect that this situation will continue, so that the removal of hedges will impart firmness to the market right along. Our visible stocks are now down to 75,000,000 bu, roughly about 40,000,000 bu smaller than last year, and an amount not nearly as unwieldy as we have had in past seasons. Primary receipts of wheat continue extremely light, only 229,000 bu today compared with 617,000 bu last year. Canadian marketings were small, 153,000 bu versus 495,000 bu last year.

It would seem likely that markets would be indifferent and rather nervous for another two weeks, until traders know more about the value of their money. We still have faith, however, that the administration in case of an adverse decision will find some remedy in order to maintain the present 59-cent dollar. We believe that sentiment generally inclines this way, and since there is no new pressure from country offerings the moment liquidating orders cease fair rallies seem to come into the market.

The visible supply of corn decreased almost 2,000,000 bu today, and stocks are now down to 36,000,000 bu, which is nearly 29,000,000 bu smaller than at the same period a year ago. The primary movement also remains light --361,000 bu received today against 1,106,000 in 1934.

In addition to the monetary uncertainties there is still next year's crop --the size of which nobody can state at this time. The government's hope still lies in balanced production, and the processing taxes required to bring this about are second most heavy of the added new burdens. They will add at least$570 million to the nation's food bill in the 1935-36 fiscal year, according to the Treasury's estimate. There is one thing certain, however, that as long as high prices prevail it will be difficult to obtain the large acreage cuts which the planners of this theory had hoped would result.

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CHICAGO January 22, 1935.

There is nothing encouraging in the wheat situation as far as oreign news is concerned; Liverpool continues indifferent and sends ower quotations; Argentina has a very low price level and apparenty realizes that with a large surplus for export she can hardly exect to reduce her stocks unless wheat is continually offered abroad t somewhat of a sacrifice. European millers and other consumers are ndoubtedly holding off with the knowledge that Southern Hemisphere fferings will gradually become heavier.

The importing world keeps looking at the huge stocks in Canada, nd the comparatively high prices that prevail there do not scare hem as they know that sooner or later this wheat will be disposed of n larger amounts, as it cannot be kept forever. Past experience has hown that when large quantities of wheat are accumulated they are a enace to the rest of the world and hang as a dead weight over all arkets. The policy, however, of our northern neighbor seems to be hat of holding up the price level with the hope that Europe will inally have to go there for supplies. This in turn is having the efect of cutting weekly clearances down to very small proportions.

In the meantime a comparatively hopeful sentiment prevails in his country. Stocks for domestic consumption are being reduced right long, and with the amount left on farms considerably smaller than in he last two years, millers must come to terminal markets for their upplies. It is the removal of these hedges that imparts certain trength to our market, offsetting liquidating sales on part of tired ongs. We still believe that in the first six months of 1935 there ill be a disappearance somewhere around 280 million bushels of wheat omprising what is ground, plus spring wheat requirements for seed, nd possibly 28,000,000 bu of wheat that shall be required for feed. f this is the case, our picture next July will be quite different rom those farm-board years when accumulations had been so heavy and hen our carryover had steadily mounted until finally we had carried 00,000,000 bushels from the 1931 crop into the succeeding one.

The open interest in our wheat futures has shown practically steady decline since the high point was reached on August 9th. At hat time it amounted to 165,889,000 bushels; and strangely enough he high price of the season was recorded on the same date when May heat sold at $1.17 per bushel. We have had a decline of about 20¢ bushel based on the prevailing price today. The open interest has een reduced to the extent of 56,000,000 bushels. This would indicate hat as hedges were bought in a considerable amount of liquidation lso took place.

Today's primary receipts amount to 119,000 bushels against 10,000 a year ago. Shipments were comparatively heavy at 253,000 ushels. Receipts so far this week at Kansas City, Duluth and inneapolis decreased 73,000 bushels, showing that the demand has also ropped off somewhat. Canadian marketings are down to 70,000 bushels ersus 559,000 bushels last year; the total for the week was also poor y comparison; and for the period ending January 18th showed only 25,000 bushels marketed against 3,305,000 in 1934.

At one time during the session there was a report that Canada ight subsidize exports, and in doing so would be willing to take a oss of 15¢ per bushel. There was no confirmation of this report, nd therefore we shall not dwell upon it until more is known. Of ourse such action would depress prices everywhere, and we do not elieve their policy would dictate the dumping of grains when pegged rices are being maintained.

Our market drifted aimlessly lower and little attention was aid to the recent cold weather, which in the Southwest is not doing he crops any particular good, as many spots are without snow covering.

There is a minimum of speculation at the moment; and therefore any of the fluctuations come about without particular meaning. We re afraid that speculative markets will remain rather indifferent ntil the High court hands down its decision on gold contracts, but this is not likely to take place before February 4.

The primary receipts of corn were also small --277,000 bushels versus 673,000 last year. Interest, however, is only nominal, and this cereal also requires new trading incentives.

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CHICAGO January 23rd, 1935.

There is nothing new in the financial news, and with foreign exchanges showing no great anxiety over the outcome of the gold rulings now before the Supreme court, there is some reason to believe that we will not be faced with sudden surprises. The stock market, likewise, is not showing any great changes, and trade remains quiet, as is the case in other speculative lines until the monetary uncertainties are cleared.

Weather in our country has been rather cold and many places in the Southwest, particularly points in Kansas, have reported insufficient snow covering. Therefore, we have no doubt that crop scares will be heard of after growing weather sets in. The forecast for tonight is for continued cold over the central sections, but moderating somewhat in the Southwest.

Quotations from Liverpool were a little more encouraging, and this lent some support to our market. There were rumors yesterday that the Canadian wheat agency might subsidize exports by taking a loss of 15 cents a bushel; but this was flatly denied by Mr. McFarland whose statement no doubt caused less apprehension abroad to the extent that there would not be any immediate dumping of large supplies on the market.

The Argentine wheat crop has come along in a satisfactory manner and, according to latest estimates, it appears as though that country would have about 162 million bushels to spare in export markets. This is less than last year, but somewhat better than normal.

As for Australia, the latest private estimate, according to Sanford Evans, was for a crop of 130,000,000 bu against the government figure of 137,000,000 bushels issued several weeks ago.

We think it will be interesting to also consider this authority's ideas on the French acreage, for that country has come into prominence of late by threatening to disrupt the world's prices through exports. It is suggested now that the acreage is 1.9 per cent larger than that of 1934 and 4 per cent above the average for the past five years.

Danubian countries have increased wheat seedings by more than 1 million acres, largely due to favorable seeding conditions last fall. All in all, there is no immediate promise of considerable betterment in the world price of wheat.

Our domestic situation will be with us for probably another six months, although sometimes, of course, "coming events cast their shadows before." Should the outlook next May suggest good crops in this country, millers, bakers and the public might let supplies dwindle to rather small proportions unless there should be a material change in the spread between May and July wheat, which at the moment is nearly 8 1/2 cents per bushel. In other words, if necessities can be had for so much less by waiting, it is quite natural to assume that large inventories would not be maintained, but rather that a more conservative policy will be pursued.

The whole world keeps its eyes upon Canada, and of course her policy will determine, to a large extent, future price trends. On January 18th, stocks in that country, in all positions, excluding small amounts in transit and in farmers' hands, amounted to 254,000,000 bushels against 235,000,000 last year, or an excess of 19,000,000 bushels. It is not likely that the poor crops of the last two years will be repeated, and even if moisture conditions at the moment have not been overly favorable, it is still very early and next Spring there might be a change for the better.

Primary receipts of wheat today were small, only 131,000 bu against 414,000 last year. Stocks at Kansas City, Duluth and Minneapolis show a net decrease so far this week of 288,000 bushels. Country marketings in Canada are down to very small proportions, only 55,000 bu today compared with 399,000 a year ago.

There was really nothing to account for today's swings. Markets at one time tried to do a little better, probably influenced by the cold weather; but corn was subjected to heavy liquidation and when early buyers were filled up the market seemed to hit a pocket and there was rather a precipitous decline, with the nearby month bearing the heaviest load. This also influenced wheat, together with the other cereals. It seems new buying power is so limited that liquidation overweighs other considerations.

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CHICAGO MERCHANTILE EX.

CHICAGO January 24th, 1935.

Neither news from Washington nor information from abroad seems to lend much incentive for new commitments in grains. Monetary policies are held in balance until at least February 4 when the High court may release its ideas upon gold clause contracts. This is having the effect of making people in all lines of business cautious. The stock market, which would probably be discounting improved business, hardly makes a move right now, and in fact if there is any trade, fluctuations do not express much of a sentiment in either direction.

About the only cue to the situation at the moment is the action of foreign exchanges, as these very often discount events before they occur. There is not even much to glean from transactions of this kind as fluctuations are not taking place in any marked degree of difference.

As far as the foreign situation is concerned, England, which imports about 40% of all the wheat supplies imported into Europe, takes a rather indifferent attitude at the moment. It is reported that cheap offerings of French flour are a factor at the moment, as are also the low-priced offerings of southern hemisphere wheat, which are underselling the Canadian varieties.

According to a despatch from the Winnipeg Free Press, there seem to be well-founded reports in circulation that point to a radical change in the Canadian government's wheat policy. They claim that the recent statement of Mr. McFarland declaring his intention to take delivery next May of the wheat which is now held in the form of hedges, or futures, foreshadows the creation of a domestic wheat board. The article goes on to say that the pool might be as much as 240,000,000 bu. of long wheat held on margin out of the total visible supply of 255,000,000 bu. If this is the case it makes the Canadian situation very uncertain; but at least one thing is sure, viz., a country of ten million people cannot dispose of this wheat through home consumption alone, and therefore vast quantities must be thrown on the export market either this year or at some future date. The fact that it is temporarily kept out of commercial channels does not change the psychology of those who would ordinarily be using these supplies because they know that it is simply a question of time before the wheat will become available for consumptive purposes abroad; and in the meanwhile heavy carrying charges will hurt those who are carrying the load, as well as use up available storage facilities in the event that next year's crop is at all sizable.

It seems a paradox that most of the large surpluses have been brought about rather by too much governmental planning instead of not enough planning, and with every other country absorbed in the problem of price, we doubt whether any one government can "out smart" all others.

Primary receipts of wheat today were light again, only 148,000 bushels being received, and shipments amounted to 424,000 bushels. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 399,000 bushels. Marketings in Canada were again light, possibly influenced by the severe cold; and were 85,000 bushels today against 449,000 in 1934.

Trade was of an extremely light character, and a few more liquidating orders seemed to drift into all pits. As was the case yesterday, small liquidating orders were more in the nearby months than in the deferred, and this had the tendency of narrowing the spread between May and September futures.

Rye made a new low record for the season, and we attribute this to some extent to the fact that importations which have been permitted have affected the price adversely.

Cold weather which is ordinarily a factor in corn, and means extra amounts of feeding to animals was practically ignored both yesterday and today. In fact, markets show rather clearly that new trading incentives are necessary if we are to get out of the present rut; possibly this will be the case after February 4th, when the High court is expected to come out with its important decision which is now keeping everybody in more or less suspense.

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CHICAGO MERCHANTILE EX.

January 25, 1935

The ease with which congressional appropriations are being made uggests that body is in a spending frame of mind. It appears probble that the relief bill will be passed shortly by the Senate, auhorizing the expenditure of nearly 5 billions of dollars. As long s this continues, we think it would be foolish to forget entirely the nflationary possibilities, although we realize at the moment that eople are rather indifferent to that line of thought, preferring to wait the decision of the Supreme court justices. As the head of one arge insurance company reasoned, "As long as the federal government pends 4 1/2 billions more than it takes in, the fact of inflation has een accomplished, whether you call it greenbacks or bonds." At the oment all speculative considerations are being ignored, but we rather eel that after February 4, if a favorable decision on monetary matters s handed down, there will be much more inspiration in all directions.

There was no particular trend to our market today. Liverpool cables ere somewhat indifferent before our market opened, although final rices showed a fair decline. We believe that foreign countries are till paying much attention to the holding policy in Canada brought bout by the pegging of prices. To show how this has affected export trade: Canadian shipments from July 28 to January 19 were 86 illion bushels compared with 102 million bushels last year, and 149 illion bu two years ago. Clearances for the week are not very enouraging, being only 1,800,000 bu. The Canadian government confirmd the size of the crop at slightly in excess of 275 million bu. This s about in line with previous reports by the government, but slighty larger than some of the private houses had forecast.

It is difficult for most people to comprehend what is really the ntention of upholding the prices at this time, when the grain has been o largely marketed. If it were with the idea of helping the farmr, then of course some excuse might be offered; but if it is for olitical reasons, the secondary consequences of withholding supplies rom commercial channels should be considered. At this late date it s futile to try to hope that the southern hemisphere will fall down n order to give Canada a chance of usurping the world's market. With air snow covering abroad, there is no use of hoping at this early ate that next year's European crops will be a failure. It is always est when considering the future to anticipate average conditions, and f these occur, we believe there will be no starvation or scarcity, s far as wheat is concerned.

Domestically we are not faced with the same problem, nor are we ertain that we shall have a very large amount for export, even on next ear's crop. With average conditions we certainly will raise more han last year, although weather over a great part of the winter wheat rea remains very dry, particularly in western sections. Some scares rom the Southwest are already being heard, and we believe that as time oes on further damage reports will come into the market, unless we et considerably more moisture than we have had lately. In our opinon the deferred futures would benefit more than the nearby month. he discount of July and September wheat will be an inducement to raders who base hopes on small crops for 1935, and therefore the weaher will be an important element in the next few weeks, particularly s reserve moisture has been so deficient.

Primary redeipts of wheat today were slightly better, being 219,000 u compared with 453,000 last year. Stocks so far at Kansas City, uluth and Minneapolis show a total decrease of 536,000 bu. Country arketings in Canada were 102,000 bu against 389,000 last year. It is ur opinion that sentiment in all grains will change shortly, as with nly small amounts coming to market there can be no new pressure. iquidation has been fairly thorough, and we believe that it would be qually difficult to reinstate many of the long lines that have been vened up recently.

In the early trade, corn was somewhat weaker, being influenced by return of milder weather and the fact that Argentine shipments of this rain to the U. S. amounted to 1,492,000 bushels for the week. The close, however, was firm and also suggested that the recent selling as probably been fairly well digested. Oats, similarly, were affected by shipments from the Argentine, amounting to 682,000 bu this week, ut the price was not influenced much by this news, and late recoveries occurred in sympathy with other grains.

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January 26, 1935

During the week trade was not very large, but in the main the tendency was slightly downward. The fact that there could be no Supreme court ruling until after February 4 had the effect of making certain groups nervous, and this in turn caused liquidation. It was a fact, however, that May contracts in all grains suffered the severest losses, as the largest interest was in the near-by months.

Weather was not very favorable. At times extreme cold covered practically the entire country and many sections had insufficient snow covering. Many southwestern sections are still suffering from moisture deficiency, and unless this is changed in the next few weeks, we believe that crop scares will be an important market factor.

At the moment most foreign exchanges are weak. In our opinion, this is not overly significant as foreigners also are cautious in making new engagements. Since nobody can buy foreign exchange with the idea of converting it into gold and shipping to this country before February 4, it is likely that such a declining tendency may continue.

General sentiment is that public policy will finally dictate the decision on the gold clause ruling. Of course this surmise may be wrong, but apparently most people think that way and, accordingly, securities are holding up fairly well. Should the administration's monetary policy be upheld, we look for a big upward swing all along the line, and not only speculative buyers will re-enter the markets, but actual consumers who have been cautious, not knowing the value of their money, and who have let inventories dwindle, will again regain their confidence and start normal operations.

Primary receipts of wheat were extremely light today, only 120,000 bu compared with 509,000 bu last year. This, in our opinion, is one of the sustaining influences in the market at the present time, because without receipts it is almost impossible to fill even a poor demand except by drawing on stocks from terminal markets. Shipments today amounted to 298,000 bu. On Monday the visible supply will probably show a fair sized decrease. Stocks so far this week at Kansas City, Duluth and Minneapolis have shrunk to the extent of 630,000 bu. Canadian marketings have been slightly better since the weather has moderated, being 168,000 bu against 341,000 bu last year.

Liverpool prices were somewhat firmer this morning and no doubt this is a reflection of world's light shipments that will be posted on Monday. Trade abroad, however, is not stretching out very far to take on larger supplies; nor do we believe they will be particularly anxious as long as there is the knowledge that at some future time Canada will have to dispose of her stocks on a more liberal basis. Nevertheless, foreign prices are already so low that there is no chance for sharp declines in prices.

Our market was mostly negative and prices of all grains responded to the character of orders which entered the pit. In the absence of any new liquidation, a fairly firm level was maintained during the entire session.

Corn receipts were light, 221,000 bu and shipments amounted to 468,000 bu. A year ago we received 494,000 bu; and it is apparent that the visible supply of this cereal also will decline as times goes on.

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CHICAGO

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CHICAGO MERCHANTILE EX.

January 28, 1935.

It is just about one year since the President signed the gold bill, at which time it became law. The financial world at that time had hourly expected a further proclamation telling of the application that would be made of the new powers thus conferred upon him and upon the Secretary of the Treasury.

It is fitting also to state here that the old gold dollar, to which we had become so accustomed, would have celebrated its one-hundreth birthday on June 28, 1934, had it been permitted to survive. As a matter of fact, people have become rather accustomed already to the comparatively new dollar and the new gold price which was almost simultaneously raised to $35.00 per ounce.

At the moment there is much thought directed as to whether or not the Supreme court ruling will hold constitutional gold clause contracts, and with some fear that possibly we might go back to our former dollar basis, there has been speculative uncertainty and liquidation for the past ten days. History has shown that when the value of money was changed, it was generally cheapened, and it is not nearly so easy to go back once a change has been made. This feature, however, has given the markets, even to the extent of foreign exchanges, considerable concern.

Other factors have either been temporarily discarded or else were not brought to the foreground. We think it is rather impressive, however, that the visible supply of wheat decreased today 2,694,000 bu. This is a reduction of 40 million bushels as compared with last year, or if a comparison be made with two years ago, it is even greater being 81 million bushels less. We stress this point because one of the elements in the past that has generally made crop scares operative, was the fact that these reports were issued at a time when stocks were declining, and consequently a simultaneous removal of hedges from the pits and buying by speculators on the belief of poor crops, came at rather a strategic time.

Two years ago, and to a lesser extent even last year, such factors were not very impressive because of the large amount of hedged wheat that was continually overhanging the market.

Sentiment in grains is persistently bearish at the moment, mainly because of the market's action, but sentiment, as we know, changes very quickly and given any encouragement, we believe that many of the domestic factors which are scarcely mentioned at the moment will again come into force.

The world's situation, we are sorry to say, is not nearly so promising. Southern Hemisphere crops will soon be pressing on the market and Canada is still showing little concern as to her own poor export business. There is practically as much wheat available for shipment abroad as last year despite the fact that both crop and carry-over were smaller. Total stocks in that country as of January 18th, were 303 million bu, or the same as last year. There was a holding tendency in Canada even a year ago at this time because of the fact that the London wheat conference was just starting and apparently there was hope that something might be accomplished in order that Canada might benefit.

History has shown that neither conferences, subsidies nor artificial stimuli help in the long run. As long as surpluses are raised, the great problem in that country is to sell more and the need for active and unrestricted markets becomes necessary instead of peg limits that generally end in chaos. With only about 40 million bu of wheat still back in the country, any attempt to uphold the price would certainly react against the farmer to a greater extent on the next crop than it would benefit him now.

Weather in this country over the week-end had been mostly dry, and there was little to indicate that there would be a change for the better as far as moisture was concerned.

Primary receipts today were small --253,000 bu compared with 600,000 last year. There was little activity, but liquidating orders apparently featured all pits, with little in the way of new buying to offset these commitments. The visible supply of corn also showed a rather large decrease, amounting to 2,169,000 bu; stocks of this grain are 31 million bushels smaller than a year ago, and have been reduced just slightly beneath 34 million bushels.

We are inclined to believe that despite poor crop reports which are coming from certain winter wheat districts, that there will be

(OVER)

little in the market until after February 4, when the Supreme court again convenes. There is nothing certain that the verdict will be handed down at that time, although there is the hope that a decision one way or the other will be rendered, so that the whole country will again know more about monotary policies.

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CHICAGO MERCHANTILE EX.

CHICAGO January 29, 1935.

Yesterday's market was characterized mostly by fears of what .ght happen in the event of adverse legislation towards our present onetary policies. Neither the cotton nor securities markets shared the full extent in this movement, but the fact that wheat and orn prices are selling at levels nearly high enough, even on present asis, to invite imports despite heavy duties, made these cereals ore vulnerable than other speculative articles. It was feared, for stance, that with the possible return to the old dollar, Canadian change might again go to a discount of 20 per cent as was the case efore our devaluation took place, and then of course, Canadian wheat ould immediately become about 16¢ per bushel cheaper as an import rticle.

Likewise, Argentine corn, which at times has been sold to this untry, could be bought more cheaply as our dollar would buy more esos and in turn would increase the volume of imports.

This morning, however, foreign exchanges have taken a rather harp rally. The French franc, while this is being written, has ad-.nced eight points from yesterday's low figure. Other gold moneys ve also had corresponding adjustments more nearly in line with gold ipping points. Therefore, thought has been directed as to what e result might be next Monday if the administration were upheld, and is is apparently the psychology of a great many well-informed people o feel that public interest will play an important part in the nal decision.

Markets have been subjected to a great deal of liquidation; open terest has been reduced; milling demand has dwindled to rather all proportions, so with any restoration of confidence it is very kely that sentiment would undergo a quick change.

Canadian markets have remained firm during the declining period our market. The fact that one agency owns practically all of the tures against hedged wheat makes it rather difficult for a free d open market to operate, and the small arrivals apparently are of ttle influence to values. For the weekly period ending January 25, untry farmers' deliveries amounted to only 701,000 bushels as com-red with 2,856,000 bushels last year. As a matter of fact, to date e country has shipped more than last year by possibly 7 million shels, and therefore the amounts left on farms should also be con-derably smaller than in 1934, as they had shorter crops.

Broomhall seems to think that export trade during the next six nths will probably exceed that for the first half of the crop year, though we can hardly imagine that Canada will be the beneficiary less her prices swing more into line with southern hemisphere com-tition.

Primary receipts of wheat today were 208,000 bushels compared th 246,000 last year. Shipments today amounted to 365,000 bu. nsas City, Duluth and Minneapolis stocks so far this week show a tal decrease of 268,000 bushels. Country marketings in Canada were 3,000 bu versus 326,000 a year ago. Bradstreet's exports indicate ightly larger shipments from North America --2,272,000 bushels, but is is smaller than the previous year, when they were 3,288,000; d total for the year is about 31 million bushels less than for the rresponding period of 1934.

Our market during most of the session had very little to guide ; there was not enough influence from the stock market to be a ctor; and it becomes clearer every day that new incentives are nec-ssary if anyone is to have very positive views.

Corn benefited slightly from a little better tone in Argentine lues. Primary receipts were small again, only 254,000 bushels ainst 541,000 last year.

There were some figures on Canadian wheat imports into the ited States. From July 1st, 1934, to the end of the year, there re about 2,689,000 bushels imported under the 10 per cent ad valorem x. This, we take it, will be used entirely for feeding purposes; t as there are also large amounts of Argentine oats coming in to uston, it shows that this country will be called upon to import rge quantities from other nations, which is certainly a deviation om our policy because formerly we exported practically all grains.

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CHICAGO MERCHANTILE EX.

CHICAGO January 30, 1935.

There was no particular news overnight. Liverpool failed to respond fully to our weakness yesterday, but this is not surprising in view of their relative cheapness.

Foreign exchanges have apparently recovered from instability, and it is thought that the large stabilization fund is at work in an effort to bring foreign quotations more in line with previous dollar relationship.

Nothing more is known about the outcome of the gold clause contracts and people are still guessing as to what will finally occur. In any event, it seems rather logical to presume that a short position over the weekend will not be very comfortable, as it is indicated in most quarters that the administration has some plan in mind even if the High court's decision would upset the present monetary plans. This being the case there was not a very active trade in grain, but liquidation had apparently run its course after several days of declining markets, and it required but little buying to bring about small rallies.

When we look at stocks of wheat in various parts of the world, we find that the United Kingdom has about the same quantity in its visible supply as last year; same is also true of Argentina; on-passage stocks are just slightly lower; Canada actually has a quantity 16 million bushels greater; and the only large shortage is in this country where our visible supply is 40 million bushels under last year. This, together with the fact that the outlook for the winter wheat crop is none too favorable, puts us in a preferred position as compared with other countries. This is already reflected in the price, but barring large importations, we continue to feel that domestic prices should rule at substantial premiums over our competitors.

Since August 1, world shipments of wheat and flour are interesting, and despite earlier predictions forecasting a larger volume, we learn that Europe has taken 9 million bushels less, while ex-European countries have taken 5 million bushels more, so the net position is about the same as a year ago.

Primary receipts of wheat today were very light --only 128,000 bushels compared with 386,000 last year. Shipments were heavy and amounted to 367,000 bushels. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 483,000 bu; and as long as supplies keep dwindling it means that hedges are taken out of the market. Canadian marketings were 135,000 bu against 323,000 a year ago. Our Kansas City office tells us that receipts of wheat today were 11 cars, and shipments 83 cars. There is no doubt but that any time there is an active demand on part of millers, terminal markets will do a fairly good business because it is impossible to get sufficient supplies from the country.

The same situation holds true in corn; in Kansas City only 8 cars were received, and shipments were 78 cars. Primary arrivals in all markets were 172,000 bu versus 376,000 in 1934. As was the case in wheat, shipments were of good size, and amounted to 451,000 bu.

With this in mind, we are looking forward to what the probable effect of a favorable decision would be in the event that same is rendered next Monday. Undoubtedly restoration of confidence will be sufficiently well established so that bakers and industries will again think of anticipating future needs. Any such improvement in the flour demand would immediately be reflected in future prices. We believe that with a generally improved sentiment many of the recently liquidated lines would again be re-instated.

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January 31, 1935

Foreign exchanges have quieted down, and during the last ew days there were not the erratic swings which characterized hese markets earlier in the week.

Not even the best prophet would dare predict with certainty ow the Supreme Court will rule, but sentiment generally feels that he Administration is thinking up ways and means of offsetting an dverse decision. This being the case, there was a little more ssurance to all speculative markets; and while no great confidence xisted, at least the urgent liquidation seemed to have spent its orce, and on small buying orders markets advanced.

There is still great need for moisture in many parts of the inter wheat belt, and reports coming from Texas, Oklahoma, Kansas nd Nebraska are not of a particularly optimistic nature. Of ourse, it is still very early, but with the great deficiency already at hand it requires more than normal rain later on if we are o get average crops.

The 1935 world acreage figures so far received show quite an ncrease over last year. Of the thirteen countries so far reorting, there is an increase of nearly 3 million acres, the largest ain being reported in the United States where wheat was seeded to 4,306,000 acres.

There is also quite a large increase to winter rye acreage, nd the reason given for this is that a marked expansion occurred n the corn belt states, except in the Dakotas. Of course it must e borne in mind also that quite a large percentage of the inreased acreage seeded last fall to winter wheat was probably for se for early spring pastures, and not all of it will be carried hrough until harvest time. The fact remains, however, that the armer, if he does have to plow up some of the crop, will probably ot reduce the best acreage, but rather plow under that portion hich seems to have the poorest prospect.

Primary receipts of wheat were very light, only 136,000 bu ompared with 488,000 bu last year. Shipments were again quite iberal at 368,000 bu. So far stocks at Kansas City, Duluth and inneapolis show a total decrease for the week of 601,000 bu. anadian marketings were small, 166,000 bu compared with 347,000 n 1934. The fact that the movement from the country is practicaly nothing means that on even small business millers must come to erminal markets for their supplies. This will have the result f forcing continual reductions in the visible supply stocks; and e believe that on May 1st everything will be down to very moderate roportions. This being the case, it is a different picture from he last two or three seasons; and consequently good or poor crop eports will be more of an influence than they were the past few ears.

Corn was mostly firm despite the report by Broomhall in hich his Agent had cabled that he places the exportable surplus rom the Argentine this coming year at 391 million bu. This, of ourse, is based upon present prospects, and the crop is not yet ade. Therefore, it remains to be seen whether or not this figure ill finally find fulfillment. Domestically, corn remains in bout the same position. Primary receipts were only 210,000 bu ompared with last year when they were 477,000 bu. In the Southest, where the drought was the greatest and all feeds were short n about the same proportion, the demand keeps up and elevators ontinue to reduce their holdings.

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February 1, 1935

There was nothing new in financial circles except that huge mounts of gold are reaching this country prior to the gold clause ecision. Foreign exchanges remain firm on basis of dollar value, nd it is supposed that the large stabilization fund is at work keeping these parities near the basis at which they had ruled prior to he Supreme Court hearings.

Nervousness on part of traders has caused liquidation, and we find that the open interest in wheat had declined yesterday to 105 million bu, which is the lowest figure since last August. As we pointed out in a previous letter, the largest open interest on this crop amounted to over 165 million bu; and therefore it must be seen hat not nearly so many people have engagements as during the summer months.

After our market opened at slightly lower levels there was not much enthusiasm, and the fact that Argentine shipments to the United States this week were on a rather large scale tended to curb new commitments. Everyone has known for sometime that we had purchased large amounts of Argentine corn, but, nevertheless, when it was shown ,831,000 bu were headed toward this country, it had a sentimentally earish effect. There were also 462,000 bu of oats destined for merica, and 301,000 bu of wheat shipped to Barbados for further rders; the seller apparently has the option of diverting later to uropean or American ports at his discretion. If this wheat reaches he United States, we believe it will be finally reshipped to Europe.

About the only offset was continued dry weather in the Southest and more complaints from those districts claiming that crop amage was on the increase. It is a fact, however, that operators ften judge markets by their action, and the fact that selling orders ave caused a lowering of values was in itself discouraging. We have often seen sentiment change and with the proper stimulation by revival of flour business, the picture might look much brighter soon.

Canada has just completed half of her crop season, and exports for that period amounted to 88,600,000 bu. This compares with the corresponding period last year of 105,750,000 bu, which represented 57 per cent of the total for the year; and to 153,500,000 bu two years ago, which was 60 per cent of the entire shipments for the year.

Broomhall claims in a survey that European requirements will probably be below estimates and that he expects a reduction. If this is the case, one would hardly imagine that Canada, during the last half of the crop year, would ship more than during the first six months and, therefore, will make a very poor comparison with the past two seasons and in turn will mean another large carryover into next year's crop.

Primary receipts of wheat today were only 159,000 bu compared with 473,000 last year. Shipments were large and amounted to 408,000 bu. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 738,000 bu. Canadian marketings were a little bit better and as a result of milder weather amounted to 246-000 bu versus 334,000 a year ago.

Our market showed no pronounced trend and the tenor was about the same as during the past week. Liquidating orders were only moderate, and traders know that new incentives are necessary before we can get out of the present rut.

Liverpool remains indifferent and despite the fact that world shipments have been running light, Continental port stocks have decreased very little. They are in excess of 7 million bushels which is greater than last year.

We continue to think that whatever inspiration we get must come mainly from our domestic situation.

Corn, as mentioned earlier, felt the effects of shipments to this country from the Argentine. The primary receipts were light, 285,000 bu compared with 596,000 bu last year. Shipments were considerably heavier than in 1934 and amounted to 409,000 bu. Local premiums were lower.

Other cereals enjoyed only a moderate trade and also suffered slight losses in sympathy with wheat.

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CHICAGO MERCANTILE EX.

February 2, 1935

There was no fresh news overnight, although the time is
ving short now before a decision could be handed down by the Supreme
rt. Traders gave thought to the possible effect of a ruling which
olved not only a hundred billion dollars in public and private bonds;
also the profound influence that it would have upon all commodities.
fact remains that those who were desirous of limiting their risk
bably liquidated commitments earlier; others who are apparently
ling to take the risk, have confidence that the issues at stake are
large that even if the administration is not upheld, means are at
ir disposal to overcome some of the disagreeable features which
nt result.

There is one element of almost greater uncertainty still over-
ging the market: namely, the final disposition of Canadian supplies.
at January 25, there remains in Canada in excess of 280 million bu
wheat for export and carry-over, which is almost as great as the
ntity at the corresponding date a year ago. It is interesting to go
k to April 21, 1931 and review a statement made by Premier Bennett,
ording to a despatch in the Winnipeg Free Press. In speaking of
Canadian governmental activities at that time he is quoted as hav-
said, "It did not peg the price; no government of which I am the
d ever will. I have seen artificial prices placed upon commodities
whether that commodity be wheat or anything else, it matters not.
now the inevitable result. It cannot advantageously be done; it will
succeed. It may cause a temporary advantage, but that disappears."
also mentioned the fact that the farm board practice was unsound;
we mention this item because it is rather interesting the manner in
ch governments change their attitude completdy.

There is no great fear of heavy importations into this country
m Canada, as long as present parities of money are maintained; but
course there would be the danger that if our old gold dollar were
tored, that Canadian exchange would again go to possibly a 20 per
t discount, as was the case before devaluation in this country took
ce.

Mr. Cromwell, a local expert, suggests the possibility that
carry-over on July 1, 1935 will be somewhere between 160 to 165
lion bu. This of course would be a very heavy reduction from the
t few seasons, but would be slightly higher than the five years
or to farm board legislation, when we had been in the habit of
rying over about 128 million bu of wheat. Much of course will de-
d upon the amount of feeding due to the shortage of corn; but should
estimate be correct, we would look for at least a partial disappear-
e of the premium at which May wheat is selling over the deferred
ths.

Primary receipts of wheat today were 185,000 bu compared with
,000 bu last year. Stocks so far this week at Kansas City, Duluth
Minneapolis show a total shrinkage of 827,000 bu. This would sug-
t a substantial decrease in the visible supply on Monday. Country
ketings in Canada amounted to 223,000 bu versus 312,000 bu last
r.

As the session progressed, confidence became a little greater.
terday's liquidation had decreased the open interest in wheat still
ther- the total now being 104,407,000 bu. We believe that the break
the last two weeks has put the market in better condition to re-
nd to any constructive news, and this is being slightly felt al-
dy.

The primary corn receipts were 236,000 bu against 548,000 bu
t year. It is true of all cereals that movement from the country
light, and therefore markets are not suffering from additional
ges- in fact, the opposite is actually occurring at this time; and
le consumers are also taking a conservative attitude, actual demand
been the most sustaining influence.

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February 4, 1935.

Late last Saturday the Supreme Court broke all precedent when he Chief Justice announced in advance through the Clerk of that ody that there would be no decision on the so-called "gold clause" ulings today. Possibly this news was circulated to prevent the ourt room from becoming unnecessarily crowded. It is also likely hat this warning was issued to avert the closing of various exhanges throughout the country, which were considering the advisability f adjourning during the period when the Supreme Court would read ts decision.

The delayed action of the High Court had various interpretations vidently the Justices wanted more time to ponder over the weighty roblems. This gives the Government additional time to prepare legisation in order to prevent a chaotic condition in the event of an dverse decision.

There seems to be a rather general feeling, however, that reardless of the final outcome the value of our money will not be raisd materially upwards; and that the 59-cent dollar, or at least some ort of cheapened money, is here to stay. That seems to be the ehicle of the Administration in an effort to bring about recovery.

Other news was pretty much disregarded. World shipments were bout 2 million bushels smaller than last year, but European prices ere again indifferent; and apparently they are satisfied with oderate arrivals. The open interest in wheat on Saturday showed a urther shrinkage, the amount being down to 103,522,000 bushels. udging from the renewed liquidation today more commitments have aparently been evened up.

It is quite apparent that there is no leadership whatsoever in he markets, and despite the fact that southwest weather is generally essimistic, there seemed to be little new buying of importance. rowing weather in the southwest usually starts about March 1st, nd lots of rain is received before that time. Inasmuch as there is ery little subsoil moisture, we cannot wait as long for rain as in ecent years; and this in our opinion is bound to be a factor before ong.

The visible supply today decreased much the same as last year- ,718,000 bushels; the total now is 69,893,000 bu, and the relation ith last year 40 million bushels less. Primary receipts today were lso very small --only 238,000 bushels compared with 917,000 a year go. This would suggest further shrinkage each week, which in itself s a somewhat strengthening factor. Whenever confidence is restored e believe that the picture will be entirely different. Without reeipts and still the great possibility of inflation we cannot beome sympathetic to the declines which have come about mostly as a reult of discouragement. In today's decline it was noticeable that ay wheat suffered the sharpest break, with the largest interest entering in that future. If the carryover is as large next July s some of the experts now think, it looks very much as though there ould be a further narrowing between the nearby month and the later eliveries.

Primary receipts of corn amounted to 426,000 bushels versus ,114,000 bu last season. The visible supply of this cereal is also ecreasing, and we now have stocks of 33 million bu smaller than in 934. Premiums in the southwest are holding up, and #2 yellow corn s still bringing about 6¢ over the May delivery at Kansas City.

Rye went to a new low for the season, and liquidation seemed to ind new buyers almost entirely absent. It was weakness in this cereal hat also brought about general discouragement in other grains.

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CHICAGO MERCHANTILE EX.

CHICAGO February 5, 1935.

Foreign exchanges displayed more strength today, indicating at it was more than the stabilization fund which was holding up reign currencies. No doubt the repeated references attributed to e Administration, imparted confidence abroad that our devalued llar was to become a permanent part of our monetary system.

As a matter of fact, should the High Court render a decision verse to the Government, the Administration must be fully prepared meet such circumstances by having in readiness legislative measures ich would combat any disruption that such a reversal might cause their program. For more than a year now the gold price was adnced to $35.00 per ounce with the hope that this would tend to ing back the 1926 commodity level. Obviously, if this has been e Administration's reasoning, a lowering in gold price might ing about deflation in price levels. Therefore we believe very rmly that there will not be an entire change of policy, regardss of how the Court rules.

The fact remains, however, that there are a great many traders o became fearful due to the delay on part of the Court with the ought that if we were forced to go back to the old parity of the llar, importations from abroad would be a severe menace. This ychology brought about liquidation yesterday and today, with the sult that open wheat contracts have been reduced to 102,386,000 ushels; . but at the same time it does not change our views. hile speculative interest has been dwindling, we find that all sers of wheat have likewise curtailed their operations. We are dvised that flour stocks are permitted to run low; and no doubt fter the Court decision is announced, a great many bakers will gain build up stocks.

Those who are now making short sales apparently pay little atention to the weather in the southwest, which is very dry. There s nothing in the forecast to indicate relief. We hear from a great any sources that there will soon have to be some rain as the subil moisture generally is extremely deficient.

Primary receipts of wheat today amounted to 175,000 bushels ompared with 317,000 bushels last year. Shipments were 410,000 ushels, which was larger than a year ago. Stocks so far this week t Kansas City, Duluth and Minneapolis show a moderate decrease, mounting to 152,000 bushels.

Trade today was extremely quiet. The weak close at Liverpool as not at all encouraging, but the only influence was during the arly part of the session. Canada seems to pay very little atention to anything that happens abroad; and moreover she does not orry over the fact that she is not ridding herself of the large urpluses on hand. This is probably the most depressing factor, nd as long as such artificiality overhangs the market sharp reoveries in the world's price level will probably be delayed.

Our primary receipts of corn today were only 267,000 bushels versus 730,000 in 1934. Kansas City advises us that since the end of December their stocks have decreased on an average of 313,000 ushels per week. Should this continue, there would be practically o corn in store by April 8th; and it shows how acute the situation is in the southwest. Of course, the drought was worse there than in other sections, but we believe the shortage of all feeds is ound to make itself felt, despite importations which have taken lace.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 6, 1935.

After a country has passed through a depression there is no way f knowing when or at what level the next price level will bring a tate of general economic equilibrium. It is true, however, that fter each one of our major depressions we have always reached an quilibrium differing from the preceding one. But the fact remains hat the desire has been to bring back the price level of 1926, which as been set up as an ideal state of affairs.

To accomplish this the price of gold has been increased from the ld statutory price of $20.67 an ounce to $35.00 an ounce; and it was laimed that in large measure this would relieve the burden of debtors, lthough time has shown that many of these debtors have lost a good art of their property and have less to appreciate in value as inflationary measures force up prices.

Nevertheless we doubt whether the present policy of cheapened oney will be entirely disbanded without at least a great effort to aintain the new system. Whatever may be the outcome of the contest ver the validity of the gold clause, we doubt whether our dollar hall ever be raised to its former position.

It is estimated that about 100 thousand million dollars of bligations are affected, including about half of the Federal debts. n case of an adverse ruling, it is not easy to prophesy how such bligations must be met on basis of our present currency. However, e are convinced that the Administration is working on this problem ith great intensity, while the Court is considering the sacredness f contracts.

Broomhall has revised downward his estimate of world import equirements for the crop year of 1934-35. He figures that instead f needing 576 million bushels the world can get along with 552 million. This figure would seem more correct in view of the fact that ince August 1st European nations have taken 11 million bushels less han last year, while ex-European countries have taken 5 million ushels more. We do not think, however, that Canada will furnish 40 million bushels of exports unless there is a drastic change in he price policy of that country. Her shipments for the first six onths of the crop year were only about 86 million bushels, and it s not likely that 154 million bushels will be exported during the atter half of the season. On the other hand, Argentine has exported bout 88 million bushels during the past six months. On basis of an xportable surplus of 152 million bushels, and assuming that 70 er cent of the exports are shipped the first half of their crop ear their exports could easily total 194 million bushels against roomhall's estimate of only 168 million. In view of the fact that rgentine prices are so attractive it is even likely that a larger roportion of the business would be consummated at the expense of anada. Inasmuch as France has become an important factor and has tarted to dump wheat on the world's markets, he raised the estimate rom minor countries to the extent of 16 million bushels.

Primary wheat receipts today were only 134,000 bushels, which s almost unheard of at this time of the year, compared with 548,000 ushels a year ago. Stocks at Kansas City, Duluth and Minneapolis how a total decrease so far this week of 418,000 bushels. Country arketings in Canada have picked up, and amounted to 268,000 bushels gainst 304,000 in 1934.

Generally speaking there was no change in the character of the ews, except that map readers are of the opinion that it looks more avorable for moisture in the southwestern districts. There is a ossibility that rain might develop either late tonight or sometime omorrow, and of course would be extremely welcome. There are possibly five or six million acres of winter wheat which are particularly in need of soaking rains if anything like average crops are to be arvested. Therefore, a break in the weather might be somewhat of a market factor.

As far as corn is concerned, there was a little more opposition to selling; and one large commission house seemed to support the arket at around 82¢ for the May delivery. Argentine corn prices ere 1/2¢ per bushel lower, but that market has held relatively firm uring a decline of about 10 cents a bushel in Chicago. Primary receipts remain light --219,000 bushels versus 580,000 the previous season. Shipments exceeded the receipts and were 329,000 bushels. We look for another decrease in the visible supply on Monday, and the removal of hedges should impart strength to this cereal; which is also the case in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 7, 1935.

There was no change in the character of news from abroad,
hough quotations at Liverpool were somewhat better, and this is
ays encouraging. Their price level on present basis of the pound
rling is still in the 70's; and, therefore, it is quite obvious
t there can be no great improvement in the general world situation
il prices abroad advance.

One by one the artificial remedies which nations had
pted to improve their individual status have been abandoned.
nce, like Argentina, finds that the surest way to help the internal
ce is to export surpluses abroad. Canada, however, after many
rs' experience has not learned this lesson, and the huge surplus
t overhangs that market is still a danger to all other export
ions.

As far as our own situation is concerned, nobody can tell
this early date how large the crops next summer will be; but it is
e to say that in the interim there will be a period when we can
more or less independent of foreign relationship. Aside from the
t that sometimes future events are discounted in advance, we feel
t the shortage of last year is still a factor not to be ignored.

The high prices which are ruling in Minneapolis speak
themselves. The entire spring wheat crop was so small that until
ir next harvest they will be compelled to draw upon supplies from
er markets. This suggests a continual decrease in visible supply
cks, possibly accentuated after a decision is handed down by the
reme Court, as a great deal of mill-buying has been held in abey-
e until confidence could be restored and the public would purchase
e normal requirements. We are convinced, however, that with the
ht receipts and comparatively poor crop prospects in the southwest,
t quick reactions may completely change sentiment.

There has been moisture overnight in the Southwest which is
y trifling up to now, although the forecast suggests rather general
cipitation which undoubtedly will be helpful. More than the usual
unt of moisture, however, will be required with intermittent regu-
ity, due to the fact that the prolonged drought has exhausted much
the subsoil reserve.

Primary wheat receipts today were 153,000 bushels, as
inst 400,000 last year. Stocks at Kansas City, Duluth and Minne-
lis show a total decrease so far this week of 503,000 bushels.

Bradstreet's exports for the week were slightly better
n they had been ruling, and amounted to 2,909,000 bushels. This
unt compares with 4,519,000 bushels a year ago; and taking the
al for the year North America has shipped less than 96 million
hels versus 128 million bushels in 1934.

A slightly better tone was noted in most markets. There
the growing feeling that every effort will be made to prevent great
lationary policies. If this is the case, we expect a revival of
erest all along the line; and considering that futures commitments
been greatly reduced to the extent of 65 million bushels of wheat
ne since last summer, it goes without saying that the re-instate-
t of at least some of the lines could bring about rather sharp re-
ion. Finally, of course, prices will depend upon the size of the
5 surplus, but with many crop scares still ahead of us and a con-
ually smaller amount of hedged wheat pressing on the market, the
istance to higher prices will not be as difficult as during the
t three seasons.

Corn, like other cereals, benefited from the slightly
ter sentiment. Primary receipts were only 192,000 bushels compared
h 766,000 bu. last year. Here also we find that diminishing sup-
es mean less pressure on the market, and with any improvement in
speculative demand it might even go so far as to influence the
itude on the part of industries.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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UHLMANN GRAIN COMPANY
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MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 8, 1935.

Yesterday's outlook for moisture found fulfillment over a
ther wide area. Rains and snows, which were quite general, were
t extremely heavy in many places, but whatever occurred was cer-
inly welcomed; the further outlook is that we will get more pre-
pitation tonight. Quoting the Modern Miller: "The more eastern
d northern sections of the winter wheat belt were not so much in
ed of rains, but precipitation in the dry areas of Kansas,
lahoma and the Texas Panhandle had been so light last week that
ese territories were really badly in need of relief." Those
ctions which have been deficient in precipitation, and which have
ffered now for several years, will require a good deal to make
for the rather poor start. However, it is still early in the
ason, and with average weather there is no cause yet for alarm.

Despite this improvement in outlook, trade sentiment was con-
derably better. The stock market, which had been subjected to
ars awaiting the outcome of the gold decision, also reversed its
cent trend and gold and smelting stocks in particular made further
ins that had started yesterday.

There is no doubt but that feeding of wheat to animals has
en rather extensive in a great many places, but this has been
imited because of the fact that in many sections where animals were
st plentiful, there had not been the wheat grown last year, and ob-
iously it was too expensive to import feeds, so the natural result
s that more than the usual numbers of animals were sent to market.

On basis of a wheat carryover next July of possibly 150 mil-
ion bushels, depending,of course, largely on how much is fed between
w and harvest, the next problem is to try to figure out what the
istribution of carryover will be. A comparatively large share
romises to be west of the Rockies, and moreover reserves in the
uthwest will not be too plentiful because of the fact that the
rthwest is drawing continually from other territories. This demand
ll continue until the spring wheat crop matures, and therefore in-
ects uncertainty as to the spread between May and July, which is
lso heightened by the fact that this year's crop was of such wonder-
l quality that the elevators are naturally anxious to carry some
this protein wheat into the next crop. There is some grain high
ough in gluten content to make it particularly desirable in the
vent that our 1935 crop might only be a normal one.

As far as financial matters are concerned, nothing is new,
r can there be any changes now until the Supreme Court hands down
ts ruling. As far as grains are concerned, even if there were a de-
ision necessitating a return to our former dollar, it would undoubt-
lly call for the immediate raising of tariffs on both wheat and
rn to avoid a debacle in grain prices. On the other hand, if the
ecision is favorable, we expect that there will be sharp upward re-
ctions, so that in any event we cannot see any reason for alarm on
art of speculators carrying long commitments.

The fact that both Sterling and French exchanges are so strong
uld ordinarily be a hopeful sign, were it not for the fact that we
re continually reminded that the huge stabilization fund might be
esponsible for creating an artificial situation. We do feel that
ny likelihood of going back to the old dollar basis is rather remote.
the first place the Government is not anxious to lose the agio on
ts gold profit of nearly three billion dollars, and in addition there
uld be large losses on gold and silver purchases that have been made
ince devaluation. Even assuming, however, that anything of that
aracter might happen, it would result either in an artificial in-
lation out of necessity, or else prevent the Government from con-
inuing many of its large expenditures, which in turn it had hoped to
ntinue to bring about further recovery.

Primary receipts of wheat today were very light --only
31,000 bu. compared with 478,000 bu. last year. Shipments were
avy and aggregated 313,000 bu. Stocks at Kansas City, Duluth and
inneapolis show a total decrease so far of 645,000 bu, and this
iminishing supply is building up hidden strength, which we believe
ater may prove to be more of a factor.

(over)

Our market today was firm from the start; and after the lar reduction in open interest we feel that liquidation has carried prices down far enough. Any increase in the speculative demand cou easily broaden trade, and we look for this to happen.

Corn benefited from rather large sales out of Chicago and only small bookings. The country is not an anxious seller, and wit industries showing a little more inclination to buy, price recoveries were easy to bring about. Primary receipts are extremely light only 178,000 bushels compared with 686,000 last year. Argentina shipped to the United States this week 406,000 bushels of corn, and 593,000 bushels of oats; but this had little market effect.

In practically all cereals the May delivery was the strongest. This is not surprising as the nearby months had lost ground during the decline as compared with the deferred futures.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO February 9, 1935.

Late yesterday Chief Justice Hughes announced that the
preme Court would recess until noon Monday. This would suggest
at there will be nothing forthcoming on the gold clause cases
til that time. It is true that the Justices meet in secret con-
rence for deliberation on Saturday, and there is still a slight
ssibility that a decision could be handed down today; but this
ems unlikely.

Meanwhile Governor Eccles, head of the Federal Reserve Board,
an effort to speed recovery has suggested expansion of the
tion's money. While claiming that undesirable inflation should
t be entered into, he did claim that "cash and deposit currency"
s lower by 13 billion dollars than it was in 1929. He further
ates that methods which would be made available to the Reserve
ard by the pending new-deal bank bill should be used to re-expand
e nation's supply of money.

With this in mind, we do not think it is safe at any time,
conjunction with the heavy spending, to forget inflationary
licies.

Our market opened firm in sympathy with slightly higher quota-
ons at Liverpool. There had been some moisture overnight, but
t a great deal and most of it centered in the eastern sections of
xas. There is the likelihood of snows in southwestern Kansas and
lahoma tonight; but on the whole not much precipitation appears
kely for the next forty-eight hours.

Traders found that the line of least resistance was on the
ll side, particularly after the thorough liquidation to which grain
rkets had been subjected.

Primary receipts of wheat were just slightly better than
ey had been running of late, and amounted to 172,000 bushels com-
red with 338,000 last year. Stocks at Kansas City, Duluth and
nneapolis show a total decrease of 763,000 bushels; and the in-
cations are that a fair-sized decrease in the visible supply on
nday might again be registered. As supplies are considerably less
an a year ago, and much lower than two years ago, we continue to
el that this is a factor which should be recognized as the crop-
are period arrives. For several years not only were the scares
effective, but even short crops below our consumptive require-
nts failed to have the usual effect, due to the fact that the re-
rves from previous seasons were so much of an offset. With scarce-
any receipts in the northwest and high premiums being paid there
er the already high futures markets, it is obvious that there can-
t develop much weakness in cash markets. This has been the sus-
ining influence during the period of anxiety as to what our mone-
ry policies would be, and the declines have not been extraordinarily
rge, which suggests that the inherent conditions are favorable.

The Canadian situation seems to be getting worse each day
om the point of view that they are missing a chance of doing busi-
ss, although their markets rule firm in sympathy with ours. It
thought that the Government owns most of the futures against
gged wheat. As of February 2nd, Canadian exports were slightly
ss than 92 million bushels so far this crop year, compared with
9 million bushels last year, and 157 million two years ago. Should
eir carryover finally be as great as it was in 1934, and then a
rmal crop be harvested, it will certainly put them continually on
e defensive.

This Canadian situation naturally puts a ceiling on our mar-
t, as we could not afford to advance to a point where imports
uld enter this country in great volume. But as long as pegged
ices are being maintained there is certainly no danger along that
ne even with the high premiums existing in our northwest at this
me.

The weekly weather forecast is none too favorable; and with
y and September wheat selling at large discounts under the May,
would not be surprised to see the deferred futures advance further.

Corn is also recovering after the recent liquidation. Pri-
ry receipts were light again today --only 193,000 bushels versus
,000 last year. Shipments today were 331,000 bushels, and we
pect a sizable decrease in the visible supply of this cereal also
xt Monday.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

February 11, 1935

The government, and in fact the country at large, has had some anxious moments with the further delayed judgment by the Supreme Court of cases arising out of the abrogation of the "gold clause". The holding and consequently the receipt of gold coin was made illegal last year, and Congress passed a resolution invalidating all "gold clause" contracts. Cases arising out of these acts are apparently not so easy to rule upon as many people had believed. Little attention was hitherto paid to the possibility that the Supreme Court might declare acts of the legislative and executive branches of the government contrary to the Constitution; and yet in the last three weeks these are the momentous problems that have been weighed from every possible angle.

Any guess at this time is hazardous. The Attorney General in his closing argument emphasized and concentrated entirely upon the expediency of abandoning the gold clause. Whether the Court can recognize this element as against a contract calling for payment in United States' gold coin of the weight and fineness existing at the time contracts were entered into, apparently remains yet to be decided.

Disappointment over a further delay brought reactions into all speculative markets. The fact that Liverpool was extremely weak this morning also furnished an additional reason for our decline. The reports that there have been some very large failures of commodity houses in London during the past two weeks may have contributed to the pessimistic feeling abroad. In any event, a reversal of the recent upturns in English wheat were construed as delaying further a recovery on this side.

The visisble supply of wheat showed a substantial decrease of 2,545,000 bushels, bringing the total to 67,348,000 bushels. This is still about 40 million bushels smaller than a year ago at this time. Primary receipts today amounted to 205,000 bu; and no comparison can be made with a year ago as there was a holiday at that time.

Corn and oats also decreased quite heavily for the week, although not so much as the leading cereal. However, the visible corn stocks are now 35 million bushels smaller than they were in 1934, while oats have decreased under last Year's supply by 22,676,000 bushels.

The foreign demand is only light. In trying to ascertain whether this will be a permanent factor in grain markets, we have made special inquiry from Sanford Evans on European acreage. His report, covering twenty-seven European countries, shows that the area sown to wheat in 1923 amounted to 65,560,000 acres, and since that time there has been practically an uninterrupted addition to land put under wheat cultivation, with the result that in 1934 there were 77,425,000 acres of winter and spring wheat in Europe. Scrutinizing this report further, it leads to the conclusion that the additional 12 million acres could probably produce upward of 200 million bushels of wheat. This we believe has occurred because of the fact that so many nations were trying to become self-sufficient within their own boundaries, and the result of high tariffs has had a hand in damaging export business from exporting countries. We doubt whether Canada fully realizes the significance of these facts, otherwise there would undoubtedly be a greater effort to reduce the carryover in years of a poor crop, such as this one. We find, according to custom house returns, that her exports of wheat during February are the smallest this year since 1925. With less than 41 million bushels still left to be marketed, we cannot see in whose interest the price pegging experiment is being entertained.

OVER

With us the situation is different. We have had two wheat crops, each of which was below domestic requirements; and, therefore, only the reserves from previous seasons made it possible to get along without heavier importations. In any case, our price level is not dependent upon exports this season. With a much better cash demand, and continuation of mostly dry weather in the Southwest, there are elements here that give merit to our wheat at a premium over foreign markets. The open interest showed a further reduction on Saturday, and contracts were down to about the 100 million bushel mark, which in itself is evidence that no large or unwieldy lines overhang the market.

There seems to be enough hidden strength to the markets, with the removal of hedges, to prevent sharp declines; but to have materially higher prices, restoration of confidence is necessary. This apparently does not exist today. There is the feeling in many quarters that should the High Court rule adversely in the interest of the Administration, certain acts could neutralize the effects. This, however, falls short of encouraging speculative interests. We fear that new incentives will be necessary in the form of crop scares, or the Court's decision itself, if we are to get very far out of the present rut.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

February 13, 1935.

During our holiday yesterday news was more encouraging. Liverpool, which on Monday had made a new low on the crop, recovered a little, and coarse grains in Winnipeg were also higher, which created a better feeling in speculative circles. The Secretary of the Treasury also announced late Monday that the stabilization fund had been used during the past four weeks to manage the value of the dollar in terms of foreign currencies. It had been suspected right along that this was being done, but yet the confirmation that this fund would continue to manage the external value of our money as long as it might be necessary, was rather conclusive evidence that every effort would be made to maintain the 59-cent dollar for an indefinite period. With the many inflationary tendencies still in the picture, we believe that the short side of grains would be hazardous at this time.

It is well to consider that our gold stocks are increasing right along, and in addition to the large imports, the Bureau of Mines reports that the 1934 gold production in this country totaled 3,067,389 fine ounces, compared with 2,571,012 ounces the preceding year. As long as this continues, we feel that goods should gradually increase in value.

There was moisture overnight in the Southwest, with more indicated, and the outlook is slightly improved, but of course it will take more than occasional rains in view of the great deficiency up to now.

We are impressed with the fact that receipts continue very light, and the milling demand is drawing upon terminal stocks, with the result that the visible supply each week is bound to decrease heavily.

There is no broadening of speculative trade, and for the first time since last summer, open contracts have been reduced to under 100 million bushels, clearly showing that new trading incentives are needed.

The primary receipts of wheat for two days amounted to only 149,000 bushels versus 347,000 for one day last year. Shipments today were 367,000 bu. So far this week stocks at Kansas City, Duluth and Minneapolis show a decrease of 96,000 bushels.

As far as corn is concerned, premiums domestically are holding up well, and the crop was a terribly short one. The fact that hogs are selling at about the highest price in four years should encourage feeding operations. Undoubtedly sentiment feels that way, otherwise the May delivery would not be selling at a premium of about 8-cents a bushel over the September; and with contract corn in Chicago selling at about 6 1/2¢ over the May delivery there has been quite a little May corn bought against sales of the deferred months on the belief that deliveries next May would be very small.

The corn news from Argentina, however, is less encouraging to bulls, and there has been a declining tendency in prices for the past three weeks, particularly in the nearby months. March corn today broke to 44¢ per bushel, and is now selling at a premium of about 5¢ over the May. Some reports from that country claim that a bumper crop is in sight. Recent acreage reports indicate that the abandonment this year will be substantially below normal; and with the harvest period coming between March and April, we give below figures published by Sanford Evans, with comparisons for previous years:

CORN	Acreage Sown Acres	Acreage Harvested Acres
1935	17,364,000	#?
1934	16,096,000	9,798,000
1933	14,539,000	9,301,000
1928-32	13,733,000	9,886,000

Atlantic or Gulf offerings for April today were 53 1/4¢, and adding to this the duty of 25¢ per bushel, one must consider how heavy the imports from the Southern Hemisphere will be before assuming a too-positive position on our domestic prices. There is no doubt but that fair quantities brought in will not be too much of a factor, as our own crop was a billion bushels short of average. We believe that even with importations made thus far and those likely there will be insufficient quantities to seriously depress our price level. In fact, we expect almost exhaustion of domestic corn stocks next Spring; and consequently look for ultimately higher prices, which may even react favorably upon Argentina. Primary receipts of corn today were only 263,000 bushels compared with 884,000 a year ago.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

February 14,1935.

We have called attention to the fact that the open interest in grains has been decreasing right along, and this we are afraid has been at the expense of price,because, without speculative buying sufficiently large to offset liquidation, values have receded ever since last August, when the open contracts were at their highest point. This, however, is not confined to grains alone. Security dealings have been discouraged, and stock transactions this year have totaled only 23 million shares in contrast with 85 million shares for the corresponding weeks of last year. It is also reported that non-government bond transactions have also diminished notably, and brokers' loans are less than 10 per cent of the total they reached during the boom period.

Thus, it might be said that not only have our assets failed to reflect their true worth in all instances, but even the government revenue from sales tax has diminished, due to the fact that fewer taxes were collected, fewer men have been employed, and less activity generally has resulted to the transportation and communication services, which always benefit from activity. The country's traditional spirit of enterprise cannot revive as long as such indifference exists.

There was little in the news either of a monetary character or of anything pertaining directly to grains. Probably the greatest inspiration recently has been the higher hog and animal values, which have made feeding operations more profitable. We are convinced that with a better ratio of corn to hogs consumption will be larger now than would otherwise have been the case. It may be that higher prices of animals will cause curtailment, and yet under our present setup of inflationary policies, we believe that rising costs of living will continue; and we rather expect further advances all along the line, despite the fact that the weekly pay envelope may not rise accordingly. Some complaints have already been heard that retail costs of staple foodstuffs have jumped considerably. Butter, for instance, is up almost 50 per cent over a year ago, eggs possibly 75 per cent, pork products not far from 50 per cent, and beef more than 50 per cent.

Our today's market was a very uninteresting one. Rather indifferent cables from abroad were offset by meager reports of rain in the western districts of the winter wheat belt; and as a result opening prices were rather firm. There was considerable buying of corn at times, and this cereal displayed a better undertone than did wheat. Primary receipts of wheat today were 110,000 bushels compared with 297,000 a year ago; shipments were 343,000 bushels. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 337,000 bushels. Bradstreet's exports from North America this week were just slightly in excess of 2 million bushels; this is a falling-off both from last week and last year of about 1 million bu. The total up to-date is 97,817,000 bushels, while in 1934 it was 131,418,000 bu. No one expected that the United States would export much wheat, due to the shortage of our last crop, but it would at least be expected that Canada would make a greater effort to reduce her stocks. Apparently the theory that the world would have to take Canadian wheat eagerly has proven untrue insofar as earlier predictions are concerned. With us, the cash demand is being maintained, and the premiums both in the Northwest and the Southwest lend strength to the idea that deliveries next May might be very small.

Primary receipts of corn today were 243,000 bu against 423,000 a year ago; shipments were 430,000 bu, which is a healthy showing. As far as the immediate price trend is concerned, little can be expected until the gold clause decision is out of the way, but meanwhile the demand is fully taking care of the moderate receipts of all grains.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

February 15, 1935

The Canadian Press is discussing editorially their wheat situation, which apparently they consider alarming. The Winnipeg Free Press shows graphically how the unsold wheat had grown in volume from year to year and how their competitors have taken export markets from them. In this connection, it is interesting to note Mr. McFarland's statement this morning, wherein he predicts that the carryover in Canada on August 1st will be less than 100 million bushels, and might conceivably be down to 81 million bushels. If his wish is to come true there must be a tremendous change in the relationship between Winnipeg and Argentine prices, for Argentine wheat is selling at 25 to 30 cents per bushel less than Canadian.

In the first twenty-eight weeks of the crop year, Canada has shipped only 95 million bushels. Allowing 110 million bushels for home use, she would have to ship on an average 3 million bushels per week for the balance of the season, even to get down to last year's carryover which amounted to 203 million bushels. In the past ten weeks, Canadian shipments have averaged only 2,300,000 bushels weekly. Therefore Mr. McFarland is optimistic as to the improvement which will take place from this date forward.

Just a year ago at this time Mr. McFarland was equally optimistic; and at that time he emphasized the over-supply in answer to those who stressed under-consumption, and called attention also to the danger of self-delusion. He quoted at that time from the Institute of Stanford University, wherein they had anticipated that the world carryover on August 1, 1934, would be reduced to 936 million bushels. As a matter of fact, this forecast was not borne out, and the world carried over 1,141 million bushels, which is the largest carryover on record. Each year since 1923, when the world carryover was 560 million bushels, there has been almost an uninterrupted increase, which has added to the worries of export nations. Mr. McFarland in what he called "a serious reality" quoted many of these mounting figures and described them just last year as "a nightmare to wheat producers."

It is this Canadian situation which largely menaces the price structure of the balance of the world. Liverpool prices today were almost at the season's lowest figures, despite the pegged prices which are being maintained at Winnipeg. Meanwhile, Australian wheat afloat is just about on a parity with the March future in Liverpool; and in addition to that, French wheat is offered freely. Our people in Liverpool tell us that March liquidation is still ahead and, with pressure from new crop Plates imminent, it is difficult for them to visualize any appreciable rise in their values.

We are glad to say that, outside this pessimistic sphere, the situation in this country is quite different. Instead of having the huge carryovers that were with us during the Farm Board period, we shall be reduced to much more workable proportions next July; and we are impressed with the very light receipts to terminal markets. This in turn requires mills to come to the elevators right along for their needs. We are convinced that when next May comes, deliveries on contracts will be extremely small. When analyzing the visible supply, one must bear in mind that the government is holding for seed purposes in excess of 6 million bushels, mostly spring wheat; and this we presume is practically all at terminal points. The visible supply also includes a quantity of imported feed wheat which cannot be used for human consumption. Therefore, the actual supplies will be very

(OVER)

small on May 1st and still smaller on July 1st.

Primary receipts of wheat were only 119,000 bu today compared with 438,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 623,000 bu.

Corn displayed a better undertone; and the recent sales from Chicago had the effect of widening the premium of May over deferred months. We believe that next May this cereal also will not be subjected to heavy deliveries on contracts. Present premiums suggest scarcity, which is only natural in view of last year's small crop. The report issued today on animals shows the greatest reduction for hogs on feed; but even there the reduction is not commensurate with the diminishing supplies of all feeds.

There were reports today to the effect that 321,000 bu of Argentine oats had arrived at New York, and 420,000 bu from Russia. This did not affect the price level to any extent; and we believe that even with importations and economies there will be enough demand to prevent serious price declines.

UHLMANN GRAIN CO.

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February 16, 1935

Liverpool quotations were firm this morning, but they showed no response to our yesterday's advance.

The world situation, as we have pointed out in previous market letters, is not particularly encouraging from point of view of higher prices. A good percentage of the weekly world shipments has been destined for oriental countries, yet there is still a sufficiently large quantity from southern hemisphere which went to Europe. Shipments to date are smaller than last year as far as Europe is concerned, showing there is no great anxiety to lay in large supplies, although shipments to the Orient are somewhat heavier.

It is generally conceded that sooner or later Canada with its vast holdings will have to market its grain, and the supply in that country is just a trifle lower than it was a year ago, with an exportable surplus of about 275 million bu available, less what amounts are finally carried over into the next crop. The country has marketed its grain to a large extent, and there remains only 275,000 bu per day to be sold to country elevators between now and August 1, excluding Sundays; Thus, it is apparent that the Canadian pool already owns hedges against the greatest portion of the wheat and the farmer is little interested in price between now and the next crop.

In contrast to this situation, we have domestically a rather active cash demand on part of mills; decreasing supplies and extremely light receipts at terminal markets. Generally speaking, elevators which are reducing their holdings are asking a little better premium basis, and not appearing as anxious sellers the way they had been a month or two ago.

Primary receipts today were only 118,000 bu compared with 33,000 bu last year. Shipments of wheat were almost three times as large as arrivals. Stocks at Kansas City, Duluth and Minneapolis show a net decrease of 799,000 bu so far this week, and another large visible decreaselooms as a possibility on Monday. The open interest is down to about the lowest figure on this crop, and the total of all grains is just slightly in excess of the 200 million bushel mark.

Should the Supreme Court come out on Monday with a decision favorable to the government, or should the Administration neutralize such effects by new laws, we feel confident that reinstatement of some lines will follow. In view of the liquidation, which has been thorough and the fact that no new pressure is likely, better prices for cereals would appear possible.

Primary receipts of corn were only 233,000 bu versus 631,000 last year. Of course there will be importations, and for that reason the East is rather pessimistic about the price. However, they do not seem to grasp the real significance of last summer's drought which is bringing high premiums, particularly in the southwestern markets, resulting in not only a reduction of stocks, but in virtual exhaustion as time goes on.

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Feb. 18, 1935.

The long awaited Supreme Court decision on the gold clause cases was handed down today; and at this writing the reading of the various cases is still in progress. Precedent was broken in that reporters were permitted access to and from the Court while the cases were being read.

The first reports were to the effect that the Government was sustained on all counts.

The President of the Board of Trade, who had been empowered by the Directors to cease operations, used the power thus delegated to him, and our session came to an end.

According to one of the press services, the High Court held unconstitutional the gold clause abrogation as it affects Liberty Bonds, although holders of these bonds are denied relief on the ground that they had suffered no loss. This decision, as they explain it, virtually drove the holders of Liberty Bonds out of court since they expressed doubt that they could probably show no material loss in a suit in the Court of Claims.

Other factors pertaining to the markets were of a secondary nature today; and until the report is thoroughly digested we believe that fresh opinions had best be held in abeyance.

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February 19, 1935

From the first reading of the Supreme Court's decision yester-
y, it appeared that the Government had been victor in the gold clause
ses. As time went on it was definitely established that the Admin-
tration's monetary policies had been upheld, and this is now history.
It is well to reason what this will mean to the value of domes-
c commodities. In the first place, it is safe to say that the new
llar shall not be contested from this time on; gradually, we believe
at this new currency will be unable to wield the same power or com-
nd or receive the same recognition as did its predecessor, for the
ason that it contains only 15 5/21 grains of 9/10th fine gold against
.8 grains of the same fineness which constituted our old dollar. It
oks a certainty that the gold price at $35.00 per ounce shall also
maintained, or even be raised, which is evidence that we are still
nked to gold, although the new dollar will not have the same pur-
asing power as the old one; and as a matter of fact, the two will
nally differ greatly in every respect except as to similarity of
me.

A great many people still cling to the theory that our present
llar should have the same purchasing power as in the past, and for
at reason it may take time to overcome this psychology.

All our imports and exports have been affected, although domes-
cally a great many articles have varied but little; and experience
s shown us that sometimes it takes a considerable period before ad-
stments are felt. As these facts penetrate more deeply into the
nds of everybody, it is reasonable to look forward to increased
eculation, and were it not for the proximity of imports into our
untry, we believe that the outside trade would have enlarged quite
terially after yesterday's decision. It is a certainty, however,
at the way is now open to carry on any additional monetary plans
thout further restrictions.

Today's market was certainly a disappointment, and apparently
ere was insufficient new buying to take care of profit-sales to
ich the market was subjected. On their own merit, we believe, both
eat and corn should finally sell higher. Yesterday's decrease in
e visible supply figures, together with rather mixed prospects, do
t suggest any bearish influences at the moment. We are impressed,
wever, with the very small receipts of both of these grains at ter-
nal markets, and we know furthermore, that there is little likeli-
od of any increase for at least four months; therefore, it is bound
create a tight situation in the meantime. It is hardly to be ex-
cted that deliveries next May will be especially heavy, unless there
uld be a material advance in values. In the southwest, for instance,
ocks of corn are dwindling to very small proportions, and it appears
be a rather good investment to buy Kansas City May corn at only a
ight premium over Chicago. With No. 2 yellow corn in that market
inging a premium of 6 cents over May, we do not think that the risk
buying at this level is great, particularly as July corn in that
rket is only selling at a 5-cent discount at this time; and certainly
rn should be worth as much money if not more in the next two or three
nths than it is commanding at the present time.

Primary receipts of wheat today were 143,000 bu compared with
7,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis
ve decreased so far this week 255,000 bu. Canadian marketings were
a parity with last year and amounted to 315,000 bu. Bradstreet's
ports from North America show only 1,873,000 bu of wheat cleared
is week, which is about half the amount of last year and certainly
t a good showing for Canada, particularly in view of Mr. McFarland's
cent statement that the carry-over on August 1 might be down to less
an 100 million bu.

(over)

At the present time September wheat is selling at a substantial discount under July, but with crop prospects favorable in the territory tributary to Chicago, we feel that next summer normal conditions will prevail, and that therefore July wheat is less attractive than the more distant future.

Corn, as stated earlier in this letter, felt the effects of profit-taking, and there was also undoing of spreads by way of sales in the nearby month and purchases of July. However, we do not see any inherent weakness in this cereal or in any other coarse grains, as long as receipts remain light.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

February 20, 1935

Liverpool was weak this morning; but this was not entirely un-pected, as prices in the Argentine are so cheap that despite a eferential tariff in favor of British Colonies, the Buenos Aires rket is again on a parity with English prices.

As far as our own markets are concerned, it is difficult to ve very strong convictions due to weakness in the foreign situation. we were enjoying a normal trade at this time, the picture would entirely different as we are about ready to enter the period of op scares, and usually at this time of the year prices depend upon eir commercial value, plus speculative strength. The latter is al-st entirely lacking and, therefore, the markets depend more or less on what consumers are willing to pay.

The fact that the visible supply of wheat will probably decrease the rate of more than 2 million bushels weekly is bound to create strong situation in May. It is certainly a fact that there will four months with practically no receipts, and usual consumption ould continue in the meantime.

Furthermore, we base some of our reasoning upon big inflation ich we see in the future. Possibly our thoughts are somewhat early; t in addition to the fact that the dollar is definitely depreciated, ld production is also increasing and this will continue to be the se. Money is very cheap and should gradually impart some incentive higher security prices. We believe that finally wages also will nefit in the general rise. It should be borne in mind that infla-on does not always work quickly. Inasmuch as practically all the tions that exported wheat also inflated their currencies may have layed the effects upon world prices. In addition to this, nobody ows to what extent inflation has already helped wheat prices, de-ite the fact that the present level is not extremely high. By this mean that if there had not been world-wide inflation, nobody could certain to what depths the price might have sunk.

Calling attention again to the drouth in the Southwest is but petition of what we have mentioned in our previous letters; but, vertheless, it cannot be forgotten. In the territory around icago, crop prospects are much better than elsewhere. Therefore, believe that with any kind of normal wheat receipts here during e month of July, July wheat will go to a discount under September; d on that basis we recommend that spread.

Canada is still in a bad position as we see it. Wheat stocks e middle of February amounted to 244 million bushels compared with 2 million bushels last year. This does not include grain either farmers' hands or in transit. However, with the May delivery be-g held up artificially by the large government holdings, we don't ink that investments up there are at all safe, because some day the gging operations might cease. If this does not occur in May, there certainly a much better chance that the July delivery cannot be rmanently maintained at the present level. Since August 1st, rld shipments to European countries have been 12 million bushels ss than last year, and to the Orient 6 million bushels more. There-re, with just a moderate demand, we believe that only exporting untries making sacrifices can do the business.

Primary wheat receipts today were the lightest that we ever call, amounting to 96,000 bu compared with 428,000 bu last year. ceipts were 276,000 bu. So far this week Kansas City, Duluth and nneapolis stocks have decreased 582,000 bu.

Corn was again under pressure; and the fear that imports will nally influence our price level caused more liquidation. The imary receipts were small at 181,000 bushels compared with 506,000 last year.

Other cereals were also led to a lower closing in sympathy with eat; and sentiment locally is bearish due to the fact that outside ade does not enlarge.

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CHICAGO MERCHANTILE EX.

February 21, 1935

Since the Supreme Court handed down its gold decision there has been little new in monetary matters; and the public is taking the entire situation in a rather matter of fact way.

On March 15th there will be about three billion dollars worth of government financing, of which possibly one-third will constitute new funds. As everything now is based on large figures, this does not make much of an impression; nor do people give much concern at the moment to the status of budgets and whether or not the continued heavy spending will make itself felt in relation to our money. This is borne out by the action of practically all speculative markets, which reacted after their first impulse following the Court's decision, and volume of trade is not much greater than it had been when this momentous issue was being considered. Possibly this is all due to the fact that for one hundred years we had a more or less stable dollar and the term dollar, to which we have all grown accustomed, seems to be an unit of measure which the average person recognizes only in terms of former merit. Possibly it is inferred that there will be no further depreciation; and if this is the case it is fortunate, as at least everyone will know in what position we are now placed and thus future contracts may be entered into with greater confidence.

As far as grain markets are concerned, they are influenced, on the one hand, by the weakness of the foreign situation which is offset by two crop failures in this country that necessitated our drawing heavily upon previous reserves. That we shall have no scarcity is evident from the figures themselves; but receipts continue light and, because of the high protein value of last year's crop, a great many people are anxious to carry some of this wheat into the next season. It should also be borne in mind that after the 1st of March there might be even a greater dropping off of car lots, due to the fact that country elevators have to pay taxes on the amount of grain on hand March 1st. It has always been their custom to ship their grain toward the end of February; and this probably accounts for the reason that Hutchinson and possibly some of the other Southwestern points have had better receipts yesterday and today.

If one were thousands of miles from a grain field and received nothing but moisture reports, he might make a fairly accurate guess as to the possibility of crop prospects. Up to now moisture deficiency in the Southwest has been very great; and while it is not likely that a third crop failure will be witnessed, it is a fact that more than the usual amount of rainfall will be necessary from now on if we are to enjoy average crops.

It is somewhat surprising that the flour demand does not pick up more appreciably after the long period of hesitancy due to monetary questions. This naturally delays the period when millers remove hedges against sales of their product. All in all, there is at least the foundation for market firmness based on commercial value, plus rather mixed prospects for next year's crop. But without speculative enthusiasm it is always more tedious to watch markets reflect their true worth; and like the building up process of any structure, brick by brick, it requires the utmost patience.

(OVER)

Primary receipts of wheat today were 194,000 bushels and, as mentioned before, may be due to shipments made prior to tax period. Comparisons cannot be made with last year as the corresponding day was a holiday. So far stocks at Kansas City, Duluth and Minneapolis show a total decrease of 807,000 bushels.

There were a great many reports today of bad dust storms covering wide areas; and these had the tendency to boost markets somewhat. Sometimes this is a forerunner of rain. In fact, in western sections of Kansas it often happens that dust storms precede moisture; so for the time being this news was not regarded too seriously, although it did cause shorts to cover.

Corn scarcely benefited from the slightly better tendency of the leading cereal. Primary receipts were 251,000 bushels, which was about the same as a week ago. A press report from the Argentine claims that a record corn crop is in prospect, suggesting a yield of 433 million bushels compared with the average of slightly in excess of 302 million bushels. The knowledge that we might have to bear further importations has had a depressing effect on domestic prices for the last two or three sessions and shook the confidence of those who believed there would be a great shortage next May, when delivery time approaches.

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CHICAGO MERCHANTILE EX.

February 23, 1935.

During our holiday Liverpool was weaker, and that market remains extremely disappointing, furnishing little inspiration for bullish motives. Winnipeg held firm, but its value as a commercial market is disappointing since it does not reflect true conditions of supply and demand. What wheat is actually worth in Canada can only be determined by the price at which it would have to sell if they attempted to do a normal export business. Considering that the United States has given them a free hand and is not competing this year, also the fact that a good portion of Australian wheat is going to the Orient, and that Europe is dependent largely upon Argentine supplies, it all goes to show that there is no anxiety on part of buyers as long as Liverpool prices, even on an inflated basis, remain near the 70-cent level.

As far as our own wheat situation is concerned, we feel certain that crop scares will continue to be a feature. The weekly weather forecast is none too favorable, and with the exceedingly dry weather which has prevailed dust storms come about whenever high winds occur. This might have the effect of narrowing the spread between May and July if enough new speculation goes into the distant months. On the other hand, when we look at the visible supply decrease each week and note the shrinkage which will be shown on Monday, we cannot get bearish on our May wheat. If these light receipts continue, and local mills alone would be compelled to draw on some of the stocks, it remains questionable whether there will be any deliveries of consequence when next May comes.

As far as corn is concerned, the intrinsic situation is still strong; stocks are only 7 million bushels in this market, and even on a normal crop there is hardly ever much of a country movement in March or April, so that when navigation opens present supplies might dwindle very rapidly. Consequently, a short in either May wheat or May corn might have much to worry about.

There is one thing which we do not want to forget at any time: namely, inherent inflation which a great many people ignore at the moment possibly due to the fact that when we had great inflation psychology in July, 1933, it was only of a temporary nature. This has calmed everybody, but we think that new scares might break out at any moment just when everybody has given up fears that they might occur.

The high rate of governmental expenditures alone are a great factor; also inflation may come from the tremendous increased gold production, aside from the already decreased gold content of the dollar which has taken place. Moreover, if the present banking bill goes through it will be more inflationary than anything else to date. With this in the picture we do not care to assume a bearish position on grains.

Primary receipts for two days amounted to 311,000 bushels compared with a little more than that last year for a single day. Stocks at Kansas City, Duluth and Minneapolis show a total decrease of 952,000 bushels; and we look forward to a rather liberal shrinkage in the visible supply on Monday.

Corn was weak, and after the recent liquidation it seems that there is no absorption or new buying at the moment to counteract this influence. Like in the leading cereal, primary receipts were about the same for two days as they were a year ago for a single day. Therefore, there is no chance for any new pressure except as it might come from additional imports.

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CHICAGO MERCHANTILE EX.

CHICAGO February 25, 1935.

Rather unexpected moisture developed over the week-end, and was mostly favorable in the central states. Snow, however, extended southwestward and even districts of western Kansas and Nebraska reported as much as one to three inches. Despite this the majority of the crop reports were rather pessimistic in their tenor, and of course it has been so terribly dry out there that it will require more than average precipitation to bring about average crops.

When our market opened securities on the whole were somewhat lower, and this accentuated the carry-over feeling from last week, which had been rather bearish. There is little to account for this except the general disappointment that markets did not respond better to the favorable decision of the Supreme Court, and also the fact that the milling demand, which had been very quiet, has likewise shown little improvement, which is rather difficult to explain.

As far as the Canadian situation is concerned, this does not change much from week to week, but it still sticks as a thorn in the side of the wheat picture. The fact that clearances are so small each week suggests another large carryover next August. Marketings last week amounted to 2,422,000 bu as compared with 2,127,000 a year ago. Marketings from this time forward in 1934 were actually 49 million bu; therefore, on the assumption that the marketings might continue as large as last year, if we add this to the marketings up to date, which have amounted to 184 million bu, the total would be 233 million bu. It must be borne in mind that, roughly, 45 million bu. of wheat never leave the farms, being used for seed, feed, etc., also a moderate carryover; but on that basis the crop may have again been slightly under-estimated by the government. In any event, granting that it was no larger than the Dominion figures claim, we believe that the lack of exports is one of the bearish features in the world wheat situation.

The open interest in Chicago wheat contracts does not show any tendency to enlarge, and at the present time these commitments amount to 97,511,000 bu. It is quite obvious that speculation is not a factor to any appreciable extent in our markets, although this may change yet when more crop scares come from the growing areas.

The difference between May and July wheat has narrowed, and it is more difficult to gauge this tendency than in past years. As we have remarked previously, the distribution of supplies is peculiar, and with so much high grade protein wheat many interests would be willing to carry quite an amount into the next crop, if the cost is not too great. This is particularly true with the shrinkage in supplies that is taking place. On the other hand, adverse crop reports will bring in buying of the deferred futures, which might have the opposite effect.

The decrease in the visible supply of wheat today was large, being in excess of 3 million bushels. The total now is down to 61 million bushels, which compares with 103 million bushels last year, 147 million bushels two years ago, and 202 million bushels in 1932. Thus it will be seen that we have improved ourselves greatly during this period; and at the present rate of disappearance next July stocks should be down to very reasonable proportions. We want to point out that the visible supply on July 1st from 1909 to 1933 was as follows:

1909 - 9 million bushels
1910 - 12 " "
1911 - 23 " "
1912 - 24 " "
1913 - 29 " "

Primary receipts today were 268,000 bushels versus 495,000 bu a year ago.

After early market weakness there was a rather substantial recovery, and with the lightness of trade advances took place without any large volume of buying.

Primary receipts of corn today were 508,000 bu against 523,000 in 1934; this is a better showing than lately, but we believe in the southwest adjustments are made prior to the tax period. The visible supply decreased slightly in excess of one million bushels; and stocks are now nearly 39 million bu smaller than they were a year ago. With good cash prices being paid we still believe that stocks will be relatively scarce next summer, particularly at southwestern points. Therefore, feel that there is not much risk in the ownership of futures at this level.

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CHICAGO MERCHANTILE EX.

Feb. 26, 1935.

There was nothing much in the way of overnight news. Liverpool was steady, but failed to advance much from the weak quotation of yesterday, and it seems rather difficult to arouse much enthusiasm abroad, particularly with March liquidation in prospect.

After several weeks of declining markets in the Argentine, corn rallied somewhat and possibly this is due to the fact that prices are close to the Government minimum.

With us, there is a certain gloom in all speculative markets. Whether it is due to the fact that the number of economically dependent families is running into higher figures than at any previous date of the depression, or whether it results from the feeling that a good many industries whose volume has increased and yet profits have declined, is rather difficult to say. Nevertheless, it has been apparent for sometime that the securities market failed to discount much if anything in the way of business improvement in the future.

We have stressed several times our belief that inflation was imminent, but of course on that point nobody can tell the time at which it might arrive. But regarding markets on their own merit, we feel that despite the weak foreign situation, there is no use in becoming overly pessimistic with crop prospects as poor as they are at present, together with the fact that even if there should be a change for the better later on, that March is generally not a month of declines, because crop scares furnish some stimulant. Furthermore, when we look at the stocks of wheat in public elevators in Chicago, we find there is only about one and one-quarter million bushels red wheat, which is not a great deal considering that there will be several months between now and delivery time when the mills are apt to reduce this to even smaller proportions. Of course there is some premium wheat here including quantities in private elevators, but we consider it unlikely that anybody should go to the expense of moving grain from private elevators to public store and to pay this charge if it still commands a premium next May. Besides, some of the wheat in Chicago was brought here merely for feeding purposes. This would indicate on the one hand a very bullish situation for the nearby delivery as compared to the distant months; but if we take the other side, it is quite obvious that with the many bad reports on account of bad weather and dust storms, this might be a very bullish influence on the July and September deliveries. So there are a great many cross-currents in the picture and nobody can have definite views as to the proper relationship of the various months, except that if conditions are more normal in the territory surrounding Chicago, we would not be surprised to see a carrying charge later on from July to September.

Primary receipts today were extremely light, only 113,000 bu compared with 331,000 last year. Stocks at Kansas City, Duluth and Minneapolis so far this week show a total decrease of 377,000 bu.

Markets generally did not maintain their early strength, and as has been the case lately, there seems to be little to carry on enthusiasm once it starts. As long as this is the case, outside trade does not broaden, and open contracts showed a decrease again from yesterday, being about the smallest figure so far.

Corn, as mentioned before, was influenced by a little better tone in the Argentine. Primary receipts amounted to 333,000 bushels against [illegible]8,000 bushels a year ago. The best prices were not maintained, and with contract corn in public elevators rather small, we do not believe that there will be heavy deliveries next May. A good many people are figuring that by then Argentina may be pressing this cereal more heavily; but it still remains a question whether 50 or 75 million bushels of importations will be sufficient to cover the United States shortage.

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CHICAGO MERCHANTILE EX.

CHICAGO February 27, 1935.

Foreign markets were steady this morning, and as they are selling at such very low levels, it is hardly to be expected that they hould follow our declines as we are selling way above their parity.

It is rather difficult to inspire much bullish enthusiasm into rains as long as general sentiment is indifferent, and a good many eople are reflecting over the increased national debt, which in the ast two years has mounted from 22 billions, and is soon expected to e 33 billions. With the further thought that 20 million people are ow living on relief, and that there are more men out of work than a ear ago, it is not particularly conducive to general confidence.

We feel that in any speculative endeavor from now on, it will equire great discrimination. In securities for instance, there are e businesses where despite larger volume, profits are poor; and hen again we observe other industries are doing very well. In the ame way one must discriminate in the selection of cereals; but we do eel that as far as wheat is concerned, as long as crop scares will be factor during the month of March, with the already dry weather preailing, the chances for severe price declines are remote.

It has always been our experience that whenever cash wheat sold t big premiums, and when the deferred futures sold at large discounts, t was not easy to depress markets. On the other hand, the same bullish incentives are lacking this year for the reason that new crop utures are already starting at a fairly high price level, and with July wheat at 92 cents, there is no certainty that we can expect much of a bull market in view of the proximity of imports from other countries, despite the high tariff-wall.

Nobody can guess what the future weather will be. The comments from Washington yesterday were to the effect that we would require over the western great Plains about 121 % of normal moisture to bring about average crops, and that the percentage was only one in five this promise would find fulfillment. Consequently, if further scares come from the growing areas, it is more than likely that July and September wheat will prove to be favorites, and on that basis there might be further narrowing between May wheat and the distant months.

Bradstreet clearances for the week were considerably heavier than they had been running and more in line with last year. According to Sanford Evans, some of the private sources believe that the recent Government estimate in the Argentine claiming 252 million bu. for this year's wheat crop, is 18 million bu. too large. On that basis it might mean a little more demand for Canadian wheat, although not important enough in itself to materially help that country.

As far as European crops are concerned, the same authority states that for the time of the year crops are a little too far advanced although conditions generally are satisfactory.

Primary receipts of wheat today were 175,000 bu. compared with 321,000 last year. Stocks at Kansas City, Duluth and Minneapolis show a net decrease so far this week of 696,000 bushels.

The market gave a fairly good account of itself considering that the open interest was substantially reduced again, and is now the smallest since last summer. Apparently more hedges are being taken out of the market than is noticeable to the trade, because from observation it would seem that liquidation and selling by shorts predominated other transactions.

Corn enjoyed the smallest kind of trade. Early markets were influenced by higher cash prices in the Argentine for their corn; and heavy rains were reported in a good many sections, with the result that some offerings were withdrawn. Japan was also reported as a large buyer of Plate corn, and this may have been the reason for recent firmness in that market. Our primary receipts were 231,000 bushels versus 312,000 a year ago; shipments were 478,000 bushels.

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February 28, 1935

There was little in the way of fresh news when our grain markets opened this morning. Quotations at Liverpool and in the Argentine were about steady, and at this low level of prices, apparently March liquidation is not having much effect.

The weather in our own country was mostly dry and the forecast did not furnish any belief that we might have a change during the next twenty-four hours. We would say, roughly, there are probably 10 million acres in the Southwest that are suffering from the prolonged drouth. The largest area is in Kansas where possibly four to five million acres are in danger unless copious rains occur in the next few weeks. Wheat, of course, is a very hardy plant, and much of it that might look beyond recovery could revive in the event that timely moisture saves it. Then again, there are probably 8 million acres in Kansas on which the condition is quite good and which could easily produce a fairly large crop; so at this early season it is not a simple matter to have strong convictions.

There is another element injected into the picture which is so unusual from ordinary years that we feel it should be emphasized at this time. This country, which has always been so largely agricultural and furnished exports of practically all grains, has become an important importer. According to the Canadian official exports for grain entering the United States since the first of August, we find that nearly 25 million bushels of various cereals and flour have been admitted to this country, constituting wheat, which is the predominating influence, of over 13 million bushels and over 7 million bushels of barley. It all goes to show that calculations might be upset, as this is a factor which did not use to bother us in years gone by. Our own theory was that feed grains particularly were so short that moderate imports would not hurt the price very much. It had, however, the psychological effect of scaring people out of the market; and we find the open interest continues to decrease, with the result that existing contracts of wheat last night were down to 96 million bushels.

In Canada the situation is little changed. A press report from Ottawa states that the Canadian Government has announced the creation of a grain board with power to purchase and take delivery of wheat, oats and other grains. We think that this was done mainly to legalize action already contemplated, and as far as we know the former agencies of the Government have done practically everything that the ordinary grain concern was permitted to do. In fact, they were even allowed to go one step further and virtually corner markets. Their purchases have resulted in Winnipeg May wheat selling at a premium over July, which is a very unusual affair despite the tremendous stocks up there that would ordinarly force a carrying charge.

Primary receipts of wheat today were 212,000 bu, which amount is a little larger than last week and compares with 229,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis show a total decrease this week of nearly one million bushels.

Our markets opened firm; but there is no particular enthusiasm on part of speculators, and it seems that the commercial demand is about sufficient to sustain values, although not urgent enough to bring about much of an advance. Under the circumstances, trade remains quiet and immediate predictions are difficult to make.

Primary receipts of corn were 285,000 bu versus 309,000 last year. This cereal, while not under heavy pressure, eased off the moment buying orders were filled. Price range was narrow; and no particular features occurred today that require any special discussion.

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CHICAGO March 1, 1935.

Just about a year ago at this time Secretary Morgonthau urged ongress to allow the Administration a free hand in its monetary xperimentation. He expressed the hope that there would be granted t least nine months or a year so the experimental system could be arried further, and he claimed that as far as he was concerned, e were on a day to day basis. At that time the London gold price igured $34.73, on which basis importations of foreign gold were ardly profitable. Today the rate figures $35.12, which indicates hat we might lose some of our gold should this tendency continue. t is a fact, however, that we have added very greatly to our suplies during the past twelve months, both because of importations and lso due to increased mining projects. Whether there will be any urther devaluation of the dollar is difficult to state, although ith the large financing ahead, we doubt whether this is being conemplated at this time even though the Sterling rate might sink ower due to seasonal pressure on English exchange.

People generally are paying little attention to monetary coniderations, except that the continuation of heavy governmental pending is still in the minds of practically everyone; and thereore inflation cannot be discarded in its final influences upon all ecurities and commodities.

In this country the trade is influenced by continued dry reorts, although marketwise these have not had the usual effect, due o continued imports which have shaken the confidence of speculators.

An additional cargo of rye was reported at New York this mornng, and with the large receipts of all grains from various foreign ountries, there seems to be a ceiling over our market to offset ullish domestic influences.

According to the Modern Miller, dry weather reports from the estern and southwestern sections of the winter wheat belt are inreasing in numbers and severity. They claim some damage has aleady occurred, although there is a large section of the dry belt here soaking rains might still result in a good crop. Ordinarily his type of news would stimulate new buying, but the open interest hows clearly that there is no such incentive in this direction at he moment.

There is also weakness in the Canadian situation and exports to ebruary 23rd from Canada amount to only slightly over the 100 milion bu mark. Last year this figure was reached on January 20th, r five weeks earlier; and up to the present time for the correponding period a year ago, Canada has shipped 119 million bu. We ope that the new wheat board which is being contemplated in that ountry will give thought to the problem of surpluses rather than imply the buying which might temporarily please the farmer. With he comparatively small amounts left back in the country, we fail to ee how the grower will be much affected by a high or a low price rom this date forward, and his interest actually lies in the bility to reduce stocks in order to improve the condition before nother crop is harvested.

The weakness in foreign markets is conclusive evidence that the orld's wheat situation has not been corrected, and finally we canot escape the effects of this situation, although temporarily our rice level is not determined by competitive prices of export nations.

We look for another large decrease in the visible supply next onday; and so far this week stocks at Kansas City, Duluth and inneapolis show a shrinkage of 1,252,000 bu. Primary receipts of heat today were 268,000 bu. compared with 361,000 bu a year ago; ut with tax period passed car-lot receipts might drop off within a eek or so.

Corn was influenced in the early trade by weakness in wheat, nd also the fact that the country was easing up and selling a little ore freely. Chicago receipts were 73 cars, of which 34 were on conract from other markets, mostly for the industries; and 39 cars ere here on consignment. Primary receipts of corn were 385,000 u, which was larger than last year when they amounted to 370,000 bu.

In the late trade there was some recovery in all grains due to he fact that gold and smelting stocks advanced; and with the higher old prices abroad it was thought by some that inflation might again ecome a market factor.

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March 2, 1935.

Further weakness of the British pound this morning was evidence that either there was a real flight of capital from London or else the British bankers, and probably the government, wanted to see their urrency sell lower in terms of the dollar. We say this because the ecline in Sterling is apparently being encouraged by Great Britain, therwise the large Exchange fund might attempt to prevent such harp declines.

There was anxiety at Paris yesterday; and the present tendency ill increase the strain on gold bloc countries, notably France, as oreign trade competition will increase if this is permitted to go urther. At the moment French francs are very strong, ruling above he United States gold parity; but we feel there will likely be heavy mportations of gold into France, thus finally stopping the rise of French exchange on basis of the dollar. We would not be surprised f France were finally compelled to abandon the gold standard. With he yellow metal selling in London at the highest price today, it hould help gold stocks more than anything else. In our opinion, the final outcome of all these present measures will mean more inflation, lthough possibly it may be delayed for a further period.

The short covering which characterized our market the last two essions, centered around the nearby future, with the result that May nd July wheat have widened again. Nobody can tell exactly what the ifferences will do,as a soaking rain in Kansas would change everyhing, and of course would create more pressure on the deferred onths than the nearby delivery. In the meantime we find that red heat stocks in St. Louis, which is the largest market for that type f grain, have declined quite rapidly. We also find that wheat tocks at Buffalo will decrease again this week to below 9 million ushels. With over a month yet before opening of navigation, this s only a small amount of grain and will not be replenished easily. uluth stocks are down to 3,500,000 bushels; and since the East can et no wheat to speak of from Kansas City, Chicago or Omaha, the neary position is likely to become very strong. It is true, some wheat s lodged at Bay ports; but it is not very likely that this will inally come to Chicago. Including the commission for handling and ther costs to ship it back again would amount to three or four cents er bushel. Or in other words, about that much discount under May ould finally be realized for it, which of course is quite a sacrifice. e believe, therefore, that such wheat can probably be sold to better dvantage in the East when the time finally comes.

Primary receipts of wheat today were 209,000 bushels compared ith 282,000 last year; shipments exceeded the receipts. Stocks at ansas City, Duluth and Minneapolis show a total decrease so far this eek of 1,296,000 bushels.

Corn was influenced by the weaker cash basis, premiums ruling bout 1-cent per bushel lower; and this had more effect upon the May ontract than upon the deferred months. As far as this cereal is oncerned, with stocks reduced more than 30 million bushels under ast year, and not much to come forward from the farms, together with he fact that Chicago stocks are small, we cannot get very bearish. rimary receipts were fairly large, at 411,000 bushels against 326,000 year ago, but it is our opinion that this is more or less of a emporary affair, and with hog prices fairly well maintained feeding perations are on a better basis than earlier.

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CHICAGO March 4, 1935.

Today's foreign exchange market was featured by another decline in the pound sterling. Some people are of the opinion that recent questions in the House of Commons were brought up with a view to depressing Sterling further so as to aid British exports. It is the consensus generally that Sterling probably would have fallen substantially more had it not been for the intervention of the American Stabilization Fund which is understood to be buying Sterling up to an amount of gold and silver available for sale in the London market each day. Obviously this would hold up Sterling in terms of dollar ratio without taking the risk of accumulating too much British currency or drafts of a declining value. Apparently they have seized an excellent time to get the pound beneath the present dollar parity, as our government is not apt to alter the gold value of the dollar until some of the large refunding operations are out of the way.

Weakness in the English exchange rate was bullish on Liverpool wheat, which is but natural, but this failed to have much effect here as there have been considerable rains in the Southwest over night with more possible. The Panhandle of Texas did not share in the general moisture relief, and high winds were reported in many localities.

The private experts issued their March figures this morning, and they indicate that the winter wheat crop outlook is for a yield slightly less than 500 million bu. This is about the same prospect as a year ago the same time, although of course the crop finally was very much smaller for 1934 due to continued drought from this time forward. The figures of the experts also show a substantial cut in farm reserves and country mills under those of last year, although generally speaking feeding operations of wheat have been somewhat disappointing, and according to Mr. Murray, suggest only 20 million bushels more fed to livestock up to March 1st compared with 1934.

On a basis of a normal spring wheat crop our total wheat supplies should be large enough to give us a surplus over and above home requirements, and what this will finally do to the price depends somewhat upon government action later on, as to whether or not exports will be subsidized or whether our markets will compete with other exporting nations.

Primary receipts of wheat today were 330,000 bushels compared with 626,000 last year. The visible supply shows a large decrease, amounting to 3,364,000 bushels; stocks now are nearly 43 million bu smaller than a year ago, and of course a great deal smaller than two years ago.

The feeling today was somewhat bearish due to the rather general rains in Kansas and Nebraska, and as the session continued more reports came to hand stating the specific amounts actually received. The open interest does not show any tendency to increase, and with the light speculative volume, it seems rather difficult to inspire sufficient confidence on part of new buyers.

Corn was also under liquidating pressure, and the experts suggest that there is about 485 million bushels less corn on farms than a year ago at this time. If we also consider that the visible supply is nearly 40 million bushels less, there is a shortage of 525 million bushels compared with 1934. Figured, however, percentagewise the crop is probably holding out better than had been anticipated earlier, due, of course, to the smaller feeding operations and great curtailment in sections where crops were so small. We would think that from now on there might be some improvement in feeding demand because of the better ratio existing between corn prices, and the advanced hog values. The fact, however, that Argentine corn is not far from an import basis, is a factor that rather discourages bullish enthusiasm.

The visible supply of the yellow cereal decreased 1,716,000 bu today, and total stocks are down to reasonable proportions, which process if continued will prevent this cereal from becoming very weak.

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CHICAGO March 5, 1935.

There was some reaction in the pound Sterling rate after yesterday's sharp decline; and it is difficult to ascertain exactly whether the large stabilization funds have been at work or whether it is simply short covering by continental interests. One thing is certain, however, --not only will France be concerned with any possible further weakness, but even this country will be involved to the extent that with sinking exchange in Britain that country will naturally gain at our expense an advantage in world trade. It also follows that while we might have the power to prevent this through further devaluation of the dollar, this in turn would bring up the question of whether the Administration would be willing to take such a course, thereby possibly undermining confidence in our own currency and interfering with the issuance of treasury bills.

Liverpool quotations were slightly lower, and despite rather dry weather in the Southwest, our market opened weak with quite a fair amount of liquidation following.

Moderate to heavy snows occurred over the Canadian Provinces, which should put the soil in that country in better shape for spring work. However, Winnipeg was only slightly lower; but the fact that Government agencies are in control of most of the supplies in that country keeps the Winnipeg market from reflecting actual supply and demand conditions.

The open interest in July wheat is less than 23 million bushels, and it is quite apparent that traders are not much interested in speculative activities. The fact that the stock market was weak today discouraged trade generally; and broadly speaking we would say that the public is not much concerned with new enterprises.

We feel that if Sterling continues to decline that this might finally react against France and Holland; and in fact, the entire gold bloc might be in a very bad position, and might have to eventually abandon the gold standard. In the meantime, advances in gold and silver in the one great neutral market, such as England, must mean finally higher prices for gold stocks. So there are possibilities of inflation regardless of comments to the contrary; and this might finally bring higher prices all around.

On basis of the figures issued yesterday by private experts, it is apparent that the visible supply, plus country mill stocks, in addition to farm reserves, show about 100 million bushels less wheat in the country than a year ago. When it is further considered that the large mills probably have smaller stocks also, we can look for a substantial reduction from the carryover of 1934. At the same time it will probably be a little larger than average before the period when we had accumulated these tremendous surpluses. Therefore, even the shrinkage from the past two or three seasons is hardly a market factor at the moment.

Primary receipts of wheat today were 206,000 bushels compared with 210,000 last year; shipments exceeded the receipts. Stocks at Kansas City, Duluth and Minneapolis show a decrease so far this week of 245,000 bushels.

Corn led the decline during most of the session, and with a little better movement from the country liquidation found new buyers only at price recessions. Sentiment is quite bearish on this cereal due to the proximity of exports from Argentina, and trade generally is rather discouraged by the action of the market.

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March 6, 1935.

The carry-over feeling from yesterday was rather pessimistic. The stock market had been very weak, and on top of this there were lower quotations from Liverpool this morning, accompanied by the very weak sterling rate, which added somewhat to the general despondency. A fair amount of moisture was received overnight and more seems to be in prospect. In Canada, snows have fallen, and the moisture situation in that country is greatly improved. First quotations in our market were at considerably lower levels, and it was quite apparent that general confidence was lacking.

After the President's press conference, it was announced that Mr. Roosevelt believed the dollar was not low enough in relation to debts. This caused quite a flurry in all commodity and security markets with the result that shorts were driven to cover. Opinion leaned to the belief that if there were to be a currency war, and if it were to the interest of England to let her pound sterling sink still further that some retaliation might be expected from this side in order to save our export trade. Probably on that reasoning, together with further inflationary fears, a few new buyers came into the market. However, at noon messages from the White House were to the effect that the President was not contemplating any dollar devaluation at this time, making it clear that any inference which had been made or printed that there is any contemplation regarding such a cut in the dollar was not true insofar as today's press conferences were concerned.

On the strength of this last statement there was a reaction from the advances made earlier, and foreign exchanges also sold off as compared with our dollar.

Primary receipts of wheat amounted to 183,000 bushels versus 257,000 last year. So far this week stocks at Kansas City, Duluth and Minneapolis show a total decrease of 595,000 bushels, indicating another good decrease in the visible supply next Monday.

About the only description that can be attached to markets is that traders generally have become thoroughly discouraged. Until confidence is restored we believe that it is difficult to make forecasts. As long as foreign exchange markets fluctuate so violently international business is limited; of course, there is still the fear that if Sterling exchange breaks sharply that some of the gold bloc countries will be endangered, and that in order to protect their trade steps might be taken to abandon present monetary schemes. We appreciate that France will make every effort to maintain the present gold standard, but that means certain hardships due to deflation, and we are not at all satisfied that their economic structure is such as to finally prevent devaluation.

We mentioned more than a year ago that when devaluation in various countries once started that it might eventually be a race to see who could finally gain the greatest advantage at the expense of someone else; and on this question we have not yet changed our mind.

Just at this writing good snows are being reported over many districts in Kansas and Nebraska, and of course these will be beneficial to the winter crop.

Corn and other cereals enjoyed a temporary spurt, but final prices were lower, and sentiment is also pessimistic in these grains.

Private estimates of corn production in the Argentine included a forecast of over 450 million bushels; and while this grain is above an import parity at the moment, based on the May delivery in Chicago the fact that it is fairly close, in spite of the 25¢ duty, tends to keep prospective speculators out of the market. With stocks on farms probably the lowest on record, we think there is a limit to how far the decline might go.

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March 7, 1935

Liverpool quotations this morning were slightly lower, but their arket did not follow the gyrations which had taken place here yesterday, due to various interpretations of our monetary situation. The ate denial from the White House that any dollar devaluation was even eing considered at the moment removed again the romance of inflation or the time being. We believe that Mr. Richberg had the same thing n mind last week when he appeared before an audience in Boston. One f our daily newspapers yesterday carried an editorial in which it escribed two kinds of inflation. It made rather obvious that credit nflation was the one favored by the Roosevelt administration, and lso called attention to the fact that he was strongly opposed to currency inflation. In the analysis it stated that a credit inflation d not necessarily lead to currency inflation, but rather that currency inflation is always preceded by a credit inflation. According o its version, a government in difficulties borrows as much as it can nd when this is no longer possible then it starts to print paper money. he latter, of course, can be prevented by a balanced budget, so that he national credit would not be impaired. This appears to be rather ood logic, but in our opinion we do not want to forget at any time hat the huge governmental expenditures, in addition to the devaluation lready accomplished, are sufficient to bring about a different level f values than would otherwise exist. Furthermore, with the large increased production of both gold and silver, there are additional reaons to expect that inflation might become a factor at any moment, even hough it is not desired.

As far as grain news was concerned, we should say that in the ost part it favored bearish interpretation. Snows had occurred over any districts, in addition to those reported yesterday. The Texas anhandle was not included, but rather general were the reports from ansas and Nebraska of considerable relief. Besides, we should say hat the soft winter wheat belt has done very well lately in the way f moisture, and certainly a good crop is indicated for the latter erritory, provided we get normal conditions from this time forward.

Primary receipts of wheat today were 249,000 bu compared with 21,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis how a total decrease so far this week of 711,000 bu.

Some recovery in the stock market this morning brought a little ore cheer to a pessimistic sentiment which had been created yesterday. e feel from this time forward that possibly distinction should be rawn between old crop and new. A price of 90 cents for July wheat hould weather become favorable, would probably discount to some extent inflation. On the other hand, the May delivery will no doubt e influenced by decreasing supplies, and the fact that this year's istribution of our carry-over will be a rather peculiar one, with ery light stocks northwest, which means that mills will draw heavily rom other centers. The fact also that much protein wheat from this rop will remain in the hands of elevators will also be responsible for mall deliveries next May, unless the nearby month would become very uch stronger compared with later deliveries.

Late in the session a better undertone prevailed, and after everal days of declining markets, possibly this was only a natural reaction. However, the bear will be continually confronted with inflation cares; and with supplies decreasing right along, hedges are being removed, which is a sustaining influence.

Corn also enjoyed a recovery, as did the other cereals. Fair mounts of this cereal are being exported from the Argentine, which verybody knew would be the case six months ago, and which will probably continue. However, we do not think it will make up for our great eficit, because not only is the corn on farms short of normal, but eeds of every kind in almost the same proportion.

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CHICAGO March 8, 1935

The British Chancellor, Chamberlain, came out strongly late esterday against currency stabilization; and this was another jolt o the gold bloc. It had been hoped that currency wars might be ended through monetary agreements amongst the important nations. But ith England declaring that it might bring about a serious state of ffairs in that country, by restricting enterprise and increasing nemployment, it must become apparent that they have not yet reached he level, compared with other countries, that they consider desirable.

To our surprise, Sterling exchange was strong this morning and allied about four points over yesterday's figure. This was partially responsible for the break in Liverpool wheat futures; and May wheat, n that country, is again selling close to the 70¢ level. This situaion is not very encouraging to exporters, and yet United States has ot reached the point where she must worry about foreign markets or her surpluses. Of course this may come next summer if crops in his country are finally large enough to permit shipments above doestic requirements. Whether the government would step in and finance ome of the grain back on the farm, as it did last year in corn, noody can tell. But with the President, himself, still claiming that higher level for commodities is being sought, we doubt whether delines here would be permitted to a point where export business might evelop.

This country has almost one billion more gold than was held a year go, according to the Federal Reserve report; and we are so used to alk in large figures that this is not much heeded at the moment. Neverheless, it is quite a factor and one which cannot be ignored. The nflationists have again urged the Administration to debase our dollar urther, urging such action to avert a crisis. The Committee for the ation is now asking the President to raise the gold price to the maxium authorized by Congress, and even recommends additional legislation hich would free the dollar from the fixed tie to gold. At the moment here seems to be no chance of securing further devaluation; but, neverheless, we may finally be influenced largely by the action of other ountries in order to secure the proper equilibrium.

There was not much moisture over night, although prospects are or pretty general rains or snows over wide areas. This should deelop tomorrow and Sunday and, of course, would be of material benefit o the winter wheat. It is reported that much of the recent snow was oo light to greatly relieve drought conditions, although, according to he Modern Miller, the crop has started to green up in eastern Kansas nd Oklahoma.

Marketwise, there was little trend to any of our cereals today. ith the threat of further importations, new buying is rather limited. rimary receipts of wheat amounted to 191,000 bus compared with 253,000 ast year. Stocks at Kansas City, Duluth and Minneapolis show a total ecrease so far this week of 867,000 bushels.

We have mentioned little about Canada lately. Exports from that ountry are still light despite the fact that Argentina is not shipping ery heavily. Exports to March 2nd from that country amounted to less han 103 million bushels, which is 20 million bus smaller than in 1934. o suggestion has yet been made as to when trading in October wheat ill start. We presume, for political purposes, this is being delayed s long as possible. In the meantime, May wheat has lost somewhat on uly, indicating that the government agencies are probably letting horts and hedgers cover without a squeeze. Purely from the elevaor-men's view point, we would imagine that the warehouse-men would just s soon deliver the grain on May 1st, collect storage and let some one lse worry about final disposition of supplies.

Winnipeg closed strong, and there is no accounting for this except hat the government owns practically all the Visible Supply, either in utures or cash, and their market does not reflect actual conditions.

Cash demand in the Southwest was quite good. Apparently more usiness is taking place than generally reported. We believe that with edges removed there will be inherent strength despite small speculaive interest.

Corn suffered from an extremely small trade; and a leading export ouse was conspicuous as a seller of May against the purchase of later onths.

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CHICAGO MERCHANTILE EX.

CHICAGO March 9, 1935.

Grains were mostly lower for the week, and we believe that the rather wide swings in foreign exchanges tended further to upset confidence. Britain's stand against stabilization was one of the factors; but more important possibly than this, is the feeling that there might be partial or entire abandonment of the gold standard n France and other gold bloc countries in the event of further depreciation of Sterling. This leads us to believe that finally it would mean inevitable depreciation of our dollar despite efforts at the moment to stave off such a move.

As the Wall Street Journal states: It is significant that Premier Theunis virtually admitted that should Sterling decline further Belgium cannot maintain its currency. Apparently the entire gold bloc is convinced that further price deflation is impossible, and while none of these countries are in favor of inflation, they may finally be forced into steps to protect their foreign trade. This sentiment is probably responsible for a fairly firm tone in gold stocks in the United States, although a direct denial from the White House early in the week that further dollar devaluation was being contemplated has led to the belief that immediate monetary inflation is not likely in this country.

As long as the banks continue to buy government bonds, the public is comforted in this feeling. Nevertheless, the knowledge that the whole world is not yet on a settled monetary basis detracts from short sales of both securities and commodities. Speculative demand at the moment is insufficient to bring about price advances, and the open interest in July wheat is down to such proportions that it becomes very clear that either through lack of confidence, or because of pending legislation, the public will not participate in markets on a large scale.

The same feeling is fostered in Canada, where artificial prices exist, and where a governmental agency is the chief bullish factor. In spite of the fact that the carryover in that country was about 16 million bushels smaller than the previous season, and the 1934 crop possibly 6 million bushels less, there remains at this time apparently as much wheat in Canada for export as a year ago. Therefore Mr. McFarland's hope that on August 1st of next year there will be 100 million bushels or less carried over, seems very unlikely of finding fulfillment.

Europe is bidding for supplies very sparingly, and their indifference, despite the low level of prices, does not promote confidence for immediately higher world prices.

There has been a fair amount of moisture in our country during the past week; some sections, it is true, were almost skipped entirely, although the forecast suggests rain or snow in almost all sections over the week-end, with the possible exception of Western Kansas. The weekly forecast is likewise favorable. After several years of drought we would not be surprised if Nature would providently average the moisture situation, and thus bring a greater relief to the stricken areas.

Primary wheat receipts were extremely light today, only 134,000 bu compared with 345,000 last year; shipments amounted to 341,000 versus 511,000 in 1934. So far this week stocks at Kansas City, Duluth and Minneapolis have decreased slightly in excess of the million bushel mark; and we believe that a fair-sized shrinkage in visible supply stocks will be recorded next Monday.

Today's weakness was mostly in the May futures; there was a narrowing of premiums both of May corn and May wheat based on later months; and in rye, carrying charges developed on a somewhat limited scale. Apparently holders are less sure of their position for the immediate future and are, therefore, willing to transfer their commitments to the distant months.

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March 11, 1935

The largest part of the winter wheat belt had been favored with the best rains in over three months. Fully appreciating that this precipitation will not restore the great deficiency in moisture which had existed in many parts for such a long period, yet it is a relief that the drought has been broken. This gives renewed hopes that more will follow, and that after all there are still possibilities that we shall raise a wheat crop not only sufficient for our own needs, but also a sufficient surplus for export, so as not to be as independent as we were this season. We might change from an import to an export nation again.

This in itself is so important that for the time being all other considerations, such as inflation fears and hopes, have been put on the shelf. Not only that, but also the fact that in the meantime for three and one-half months yet we have to depend upon old crop supplies, and for a considerably longer time in the northwest until the spring wheat crop matures. If we could figure on statistics alone, as we did in the years before the New Deal was inaugurated, we should consider the wheat situation rather bearish, assuming that reasonable temperatures and normal moisture would be furnished from now on. However, it is not quite safe now to figure on the old basis, as there is still a possibility, if not a probability, in case prices should decline too much, that the Agricultural Department will export the surplus even at a big loss, so as to make a higher home market than world prices justify.

World shipments show another disappointment, being only 8,500,000 bu compared with over 11,500,000 bu last year; and contrary to all expectations and reports from Europe by the greatest authorities, exports so far from all countries since July 1 are about 5,000,000 bu less than they were when all estimates were for very much larger takings. The visible supply decreased 2,990,000 bu versus ,548,000 bu in 1934, but the total is now 42,000,000 bu less, and only 55,000,000 bu, which may be considered quite small. This particularly so when taking into consideration that part of this wheat may be owned by the government and will be used only for seed purposes; and there also may be included some wheat which can only be used for animal feeding. Primary receipts also continue very light, 259,000 bu against 21,000 bu last year; but all this was ignored in view of the rains, as mentioned above, and also a very sharp decline in other commodities, particularly cotton. The consensus is that the lower prices go, the greater may be the temptation for inflation; and while this may not be an immediate feature, it should never be lost sight of entirely. The close showed a decline compared with Saturday of 1 7/8 cents per bushel.

Corn suffered right at the start in sympathy with wheat, and the lower prices went, the more intensive liquidation became. There seem to be no new speculative buyers on hand at the present time in sufficient quantities to stop this downward tendency. Otherwise the statistical position remains strong and it needs only the slightest encouragement, we think, for a turn to take place. Primary receipts were only 325,000 bu compared with 701,000 bu last year; and the visible supply showed a decrease of 201,000 bu, but stocks in all terminal markets shown in the visible have decreased to 25,762,000 bu against ,373,000 bu last year. There was a fair-sized recovery from the lowest point, but yet at the close the net decline compared with Saturday amounted to 2 cents per bushel.

Oats, as well as rye, followed the tendency of the other cereals.

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CHICAGO MERCHANTILE EX.

CHICAGO March 12, 1935.

iverpool cables held comparatively firm considering our sharp
reak of yesterday; but this with the ever-changing conditions was
ntirely ignored. It is more and more recognized that many com-
odities which formerly were of an international character must now
e treated entirely as national ones. So for instance, the price
t Liverpool, being so much below that of most of the Continental
ations, where on account of high protective tariffs they have
heir own domestic value. The same refers to the United States,
here owing to large reductions in acreages and the drought, prices
re so far out of line for export that only domestic statistics
re being considered. As far as Canada is concerned, it represents
he greatest anomaly. That country has a tremendous surplus, having
vailable sufficient quantities to supply home needs for almost two
ears; but, nevertheless, chiefly on account of politics, the
overnment is sustaining the market on an artificial basis, which
n the long run is not tenable. Time flies very quickly, and another
rop will make such a policy probably disastrous if maintained.
ossibly the action of the Government has been encouraged by a state-
ent recently made by the Manager of the wheat pool, claiming that
urplus stocks would be reduced at the end of the crop year, or
ugust 1st, to equal about 100 million bushels. However, it is be-
oming quite clear that these optimistic hopes cannot be fulfilled;
nd when this is sufficiently realized perhaps a change in attitude
ill take place. It is this fear that sooner or later Canada will
e forced to sell its surplus and possibly bring about exportations
o the United States, which makes everything so very uncertain.

In order to illustrate this contention, we cite the following
igures: The Canadian visible at the present time is 240 million
ushels compared with 229 million bushels in 1934, but stocks in
ll positions, including in transit and on farms, would be about
81 million bushels against 285 million a year ago. Exports so far
or the first 31 weeks have been 103 million bushels. For the last
en weeks they have averaged less than 2 1/2 million bushels; and
ven should they be for the remaining 21 weeks 3 million bushels
eekly, or 63 million bushels, and taking the local consumption into
onsideration, there would be a carryover of close to 200 million
u, or twice the quantity which was recently estimated by the re-
resentative heads of the Government in the wheat administration.

What interests us the most at the present time as affecting
heat values is the moisture question. There were most excellent
ains overnight again in the soft winter wheat belt; and as part
f the dry sections have at least been temporarily relieved, the
utlook in general is better than it was a week ago. We believe
he amount of precipitation from now on, and consequently prospects
f further deterioration or improvement, will be the most stimulat-
ng item in the price-making.

The statistics in the meantime are rather in favor of the
uyer; receipts continue to be very light, and with the small a-
ount of wheat left in farmers' hands there cannot be any addition
or the balance of the season. Wheat receipts were only 129,000
ushels compared with 254,000 last year; stocks at Kansas City,
uluth and Minneapolis so far this week show a decrease of 172,000
ushels following the large decrease in the visible supply yesterday

Fluctuations were quite frequent today, but the close did not
how any material change from yesterday --the main future declining
/4¢ per bushel compared with the previous session.

There is a distinct narrowing between July and September wheat,
nd we believe that July wheat will finally sell at a big discount.
he prospects are very promising in the territory tributary to
hicago; therefore, we may assume that we shall at least have
ormal receipts here during the month of July, and with the small

(Over)

open interest it will be very difficult to hedge the grain without depressing prices. We believe September wheat would be the logical purchase if anybody is to accumulate wheat.

The opinions on corn are very much divided. While fair quantities have been purchased from both Argentina and the Danubian countries, the results have not been very satisfactory, as some of it is arriving in poor condition. We believe new import engagement will be comparatively small. Domestically, we expect a continuatio of very light receipts; today's showing at terminal markets being only 222,000 bushels versus 584,000 in 1934. Prices in the interio are still high, particularly in the Southwest, as high freights do not permit shipments from Gulf ports to great distant points. At the close the corn market was practically unchanged.

Rye and oats had a weak undertone in sympathy with the other cereals.

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CHICAGO March 13, 1935.

Speculation in all commodities continues at low ebb, and the
ason is not hard to visualize. The ordinary business man sees the
lā solution to recovery in increased employment, and feels that
is can only come about when business receives sufficient encourage-
nt to go ahead; and that government expenditures alone will not bring
out this result, at least not permanently. Therefore we must as-
ne that this mental state will prevail until a different policy
ll be pursued by the various organizations connected with the
shington administration, or until world's conditions improve, or
nething unforeseen turns up, particularly in agriculture to make
more certain that present values are on a sound foundation, and
at further advances might be expected.

This, as far as wheat is concerned, might come about should
ops deteriorate from now on, although the last week they have im-
oved and added to the discouragement. Much naturally will depend
on the amount of rainfall, because last season demonstrated again,
this knowledge had been needed, that not much can be raised with-
t sufficient moisture. There were no particular rains overnight,
d the relief in the Southwest has been only partial. The greatest
ea of the far western territories is still suffering from lack of
bsoil moisture. Such conditions in previous seasons have usually
ought about crop scares. While it is not likely that with the
sence of speculation equally exciting markets, such as we had here-
fore, might be brought about, yet there might be some improvement both in
lume and in the price should the new crop be such that only a moderate
rplus over home consumption would be in sight.

Even at that, we think all obstacles could easily be overcome,
far as wheat is concerned, in view of the extremely light receipts,
ntinued decreases in the visible supply, and a reasonably strong
tuation in the carryover, were it not for the danger which threatens
ery country in the world on account of the artificial situation
ich has been created in Canada.

On March 8th, there were available in that country over 240
llion bushels compared with 227 million last year, not including
ocks in farmers' hands and in transit both years. It is very ex-
nsive to carry grain, and the nearer they approach the new crop the
eater will be the necessity for marketing their huge surplus. If it
not done judiciously it would depress world's prices so severely
at its effect on the United States, although we are protected by
high tariff, could not be avoided. Of course, in that case, we
uld expect temporary intervention on part of the AAA to prevent ex-
emely low prices.

Receipts of wheat here today were extremely light, only
1,000 bushels against 318,000 a year ago, or less than one-half.
ocks at Kansas City, Duluth and Minneapolis have decreased already
is week 493,000 bushels, indicating clearly that we may expect
other large decrease in the visible supply from stocks which are
ready very much reduced compared with the last five years or more.
is reduction in supplies compels continuous buying on part of
dgers, which has been the sold sustaining factor of late, and still
ntinues.

At the close the wheat market showed an advance of 5/8¢ per
shel.

Corn was very much influenced by the ups and downs of wheat,
t the light receipts and the strong cash situation also had a
imulating effect. Receipts were only 189,000 bushels versus
8,000 in 1934; and #3 yellow corn sold at 5¢ premium, plainly show-
g that either the cash article is too high or the futures too low.
e close showed an advance of 3/4¢ per bushel.

Oats were practically unchanged, and rye closed considerably
wer. This latter cereal seems to be in a weaker position than all
e others, because it is not likely that the demand will be suf-
cient to reduce stocks very materially until another crop is har-
sted, and then again it is not probable that we shall have another
op failure like we had the past two years.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

March 14, 1935.

There were further declines today in many major commodities, ch as wheat, corn, cotton and lard. The causes are not due to any creased pressure on part of actual owners of the cash articles; fact, the statistical position in many of them is quite strong, t as prices decline discouragement grows. The main reason must be tributed to the fact that speculators, who in former times carried e load on a large scale, are either non-existent at the moment, or e becoming very scarce. This is very plainly discernible in wheat en we find that the open interest is shrinking almost every day, d has now been reduced to 92 1/2 million bushels, while during e early season, in August, it was 165,000,000 bushels. When the vernment publishes its figures on farm reserves on April 1st, it ll be seen that the farmer probably will carry at that time only out 15 per cent, or less, of what was grown, and that he has dis-sed of 85 per cent. This clearly proves that wheat is moving to rket faster than it is being absorbed by the consumer, and in the terval it must be carried by speculators. If the latter for one ason or another becomes discouraged it unduly depresses the price, ich is the case just now.

Otherwise, news would have been rather encouraging. Cables re considerably higher, and receipts continue on such a small scale t stocks in all positions continue to be reduced to a large ex-nt. Today's primaries were only 125,000 bushels compared with 2,000 last year; and shipments were 217,000 bushels versus 335,000 year ago; So while the movement is decreasing the shipments are creasing; and as a consequence, stocks at Kansas City, Duluth and nneapolis decreased so far this week 639,000 bushels, indicating ospects for another very large decrease next Monday.

The world situation also ought to gradually improve, provided leave Canada out of consideration for the present. It is assumed at that country for political reasons will carry its surplus into other crop to a large extent. Russia did not ship a bushel of eat again this week, and the Black Sea, only 9,000 bushels against 2,000 in 1934; Argentina is exporting rather heavily, but this is pected at this time of the year, and will be at the expense of a creased movement later on.

The weather is not any too good in a large territory in the r West, where no additional moisture was furnished overnight. So r the subsoil moisture in the spring wheat territory is way below rmal; but inasmuch as spring wheat will not be sown for another few eks, it is too early to predict a calamity. However, there is the ssibility, at least, that before that crop is raised there will be ny scares, which ordinarily would be a great influence on values.

At the close the wheat market was 1 3/8¢ per bushel lower.

French exchange weakened again today, and lost about 1 per cent its value within a week. There is no question that all the gold oc countries are in a very precarious state, and may not be able withstand the pressure should any further decline in Sterling take ace. A new country --namely, Spain, has been added to those which e waivering in their policy. While Spain was not exactly on a gold sis, its exchange followed that of Sterling more or less, but now is being permitted to depreciate more. Belgium and Italy are the ak links, and nobody can make any sure predictions. Should cur-ncies all over the world be radically changed, of course, it would set all other calculations for the time being, and supply and de-nd alone would not make the price.

Corn could not withstand the weakness in wheat, and declined so, but not quite as much --being about 1 1/8 cents per bushel wer. Cash premiums are keeping up, and receipts are very light, ing only 228,000 bushels today versus 607,000 a year ago. The de-nd keeps good, but imports are also on a large scale. However, in e interior where freights are high from the seaboard, particularly the Southwest, corn is bringing very good prices.

There was another cargo of rye imported, which depressed that ticle very severely.

Oats declined somewhat in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

March 15, 1935.

The open interest in wheat declined again yesterday, and the
teady decrease in speculative commitments easily explains the action
f the wheat market of late. Under the circumstances it is difficult
o bring about permanent recoveries while this condition lasts.
dinarily such lack of subsoil moisture as exists in the western
rt of the wheat belt, together with the reduction in actual stocks,
uld have brought about such an addition of buying orders that
arp advances might have easily occurred. When we consider that the
sible supply from September 8th, 1934, up to date had decreased
om 115 million bu to 55 million bu, or 60 million bu, and fully as
ch or more than anyone had expected, we feel that the removal of
dges alone would have imparted great strength to the market had it
t been for this lack of speculation.

Similar conditions prevail in corn, oats, rye, barley,and un-
btedly also in cotton, rubber and other commodities. As one com-
dity declines and owners have losses, they realize on their other
gagements; therefore, much of this late decline must be attributed
re to lack of confidence than to additional bearish statistics.

It is quite true there has been no improvement in the European
tuation, but all calculations were made early in the season on
rictly domestic supplies and demand, and these have not been wrong,
new arrivals all during this period were extremely light. Ship-
nts continued heavy, but all this was not sufficient to offset the
w ebb of new investments.

Primary receipts today were 154,000 bu against 315,000 last
ar. Stocks at Kansas City, Duluth and Minneapolis show a decrease
800,000 bu so far this week. While we doubt very much whether the
crease in the visible supply will be as much as last week, yet it
ll be very formidable; stocks will continue to decrease until the
w crop starts to move, which is quite a way ahead.

Weather reports were rather mixed. They had some local snows
Canada, but the Southwest was dry, with higher temperatures. Snows
e expected in the Northwest and possibly there might be showers in
e southwest. We still feel that the size of next year's crop is
ybody's guess. There is undoubtedly some improvement in many
rritories in the Southwest and the territory east of here promises
ll. However, there is lack of subsoil moisture in the spring wheat
ction, and it would be a wonder if we did not get at least our nor-
l crop scares there later on, or possibly even more than usual
citement.

During the latter part of the session many dust storms were
ported, and the fair-sized short interest which had been created
cently could not resist from covering as the market advanced --the
ose being 3/8 cents per bushel higher than yesterday for the old-
op futures. New-crop futures were comparatively stronger than
at, reflecting the possibilities which might take place should
ather continue to be unfavorable.

Sterling exchange was quite strong today, and French exchange
ak, While we think it is quite essential for anybody who tries to
recast prices of commodities to watch these foreign exchanges,
t minor fluctuations are of no importance unless they really mean
me new developments Inasmuch as both the English and American
change Equalization Fund might be the cause, we have no reason to
ppose that fundamentals have changed in the gold bloc countries.

During the fluctuations here today, which were quite consider-
le from the extreme low to the extreme high, Canada hardly changed
s buying or selling prices, and that market seems more or less
abilized through Government interference. However, the situation
getting worse all the time. Canadian exports last week were only
911,000 bushels; and for 32 weeks were 104,600,000 bu compared
th 125 million last year. They would have to ship almost 4 mil-
on bushels weekly for the next twenty weeks in order to accomplish
at they did last year in the way of exports.

Corn receipts were very light 284,000 bu versus 648,000 in
34. Little attention was paid to supply and demand, but this cereal
llowed more or less the advances or declines of wheat.

Oats were influenced by new shipments from Argentina this week
several cargoes, amounting to 958,000 bushels

Rye acted extremely weak, but recovered somewhat from the low
int.

DAILY MARKET LETTER

MEMBERS:
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YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 16, 1935.

The open interest in wheat declined again yesterday to the
w low figure of 91,577,000 bushels. Weather was unfavorable for
e growing plant, dust storms being reported at many places. The
ng-time weather prediction is also not very promising; and if at-
spheric conditions develop as forecast, there will be small amounts
moisture during the coming week. Under ordinary circumstances
is would have given us a market which would have registered higher
ices, but at times great weakness in wheat developed in sympathy
th the further declines in cotton, corn, lard, etc. Under these
nditions it will be difficult to develop new speculative purchases,
d without same the best that can be hoped for is that the gradual
moval of hedges will be large enough to take care of slow liquidat-
g sales by those who had previously accumulated long lines.

A steady demand for wheat continues, which is quite natural
a country with a population of 125 million, where steady consump-
on is taking place, and with extremely light receipts stocks are
creasing. Primary receipts today were only 149,000 bushels com-
red with 400,000 last year; stocks at Kansas City, Duluth and
nneapolis so far this week show a decrease of 950,000 bushels, mak-
g it quite positive that there will be another good-sized decrease
the visible supply on Monday. Finally, of course, the price of
eat will depend largely upon the ultimate outcome of the new crop.
ould we have a sizable surplus we might be compelled to go to an
port basis unless it can be taken care of through the Agricultural
partment. In any case, it will not be too large, but assuming the
ring wheat crop should go through without any great deterioration
ere might be raised a total crop of 730 to 750 million bushels,
ich would give us an exportable surplus of 80 to 100 million bu.
wever, with the lack of subsoil moisture in the spring wheat territory,
ch results are not sure, and a reduction of only 40 or 50 million
shels from the best figure would make a very great difference, as
e carryover otherwise will be extremely small.

While cables were somewhat higher, the European situation re-
ins very unsatisfactory from the point of view that the world seems
be getting along very nicely without shipments from the United
ates, and only very small ones from Canada. Of course, it is quite
ain that this latter country cannot continue indefinitely to carry
s very large stocks. It is estimated, as of March 8th, that Canada
ill had left about 266 million bushels for export and reserve com-
red with 265 million bushels in 1934. This on a crop which was at
ast a partial failure, amounting to 275 million bushels, while many
ars Canada raised over 400 million bushels.

Sterling was rather strong today, and the French Franc very
ak. There will be a meeting at Paris next Monday, the outcome of
ich may affect the action of all gold countries, and might have
emendous repercussions everywhere in the world. Belgian exchange
under great pressure. Whenever the exchange of any country sells
a very big discount for future delivery, it is the plainest in-
ation that great fears exist that it cannot be maintained. This is
e case at the present time in Belgium, where 90-day Belga sales are
lling at such discounts under the spot prices that easily 20 per cent
ofit per annum could be realized could one be sure that there will
no further depreciation. Also the Italian exchange is selling be-
w the gold point, although that country is still nominally part of
e gold bloc, and there is a possibility of a plebiscite in Switzer-
nd whether devaluation should take place or not. At no time since
gland went off the gold standard has there been such danger that
e of the gold countries cannot remain on same. At first a radical
ange in that direction would be deflationary, but in the long run
would lead to stabilization of all countries, and might be the
rst step in bringing about a permanent recovery in international
ade.

At the close the wheat market was 5/8¢ per bushel lower.

Corn was extremely depressed on account of a statement by the
ricultural Department that they expect lower prices for this cereal.

Oats suffered comparatively the most on account of the con-
nued importations.

Rye remained fairly strong, having had such sharp declines
ready during the week which discounts much of the inherent bearish
atistical situation in same.

DAILY MARKET LETTER

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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO March 18, 1935.

The threat of disruption in the gold bloc countries has been
porarily averted, but only in such an artificial way that con-
ence that the gold countries can permanently maintain their posi-
n has not been restored. With various promises on part of the
nch Government, the currency of Belgium has been saved for the
e being; and further restrictions regarding gold exports and con-
l, similar to those which have been taken by Italy, may prevent
ther declines at the moment in that country. Sterling exchange
one time today declined 5 points, French exchange was a little
onger; but if England is determined to let the Sterling sink, which
her present tendency, it will be more and more difficult for the
d countries with their high cost of living and increased difficulties
export business, to resist the readjustment which seems to be in
air. France, with her large holdings of gold, can keep up for the
e being, but the moment the French people are seized with fears of
aluation, they immediately would start gold exports, and withdrawals
funds from the banks might cause a changed situationto occur over-
ht.

All this, of course, makes the trend of commodity prices very
ertain; and cotton, which is still one of our largest export
icles, has suffered the most of late, declining heavily again to-
. Just what further declines in commodities would take place in
e of a currency war in devaluation, nobody can tell. We are not
te sure what our Government would do under those circumstances, but
long as no stabilization is in sight cautiousness on part of every-
y from the speculator to the processor and the consumer will be
cticed, which might mean further liquidating markets such as we
e had during the past week.

Under those circumstances actual wheat news today, which was
her bullish, was entirely ignored. The wires were humming with
orts of further severe dust storms in the West, with no immediate
n in sight in those districts where it is badly needed. Consider-
that the new crop prospect at this time of the year is the main
ture in determining values, the fact that markets could decline
ll further shows very plainly that outside influences are entirely
ponsible for this depressed feeling.

The open interest in wheat has again decreased 486,000 bushels,
wing the absolute lack of buying power, and it is not likely that
e can be restored unless either more confidence is brought about
unless the crops should deteriorate to such an extent so as to
onstrate that higher prices are inevitable. Primary receipts con-
ue to be very light, only 203,000 bushels compared with 540,000 last
r. The visible supply showed a decrease of 2,116,000 bushels; the
al is now reduced to less than 53 million bushels versus 95 million
ear ago. There is no doubt that until the new crop moves further
oads will be made on stocks. In fact, the visible supply of all
eals is declining very heavily --corn decreased 1,704,000 bushels and
s 1,367,000 bushels, but as in wheat, this did not prevent further
ering of values.

The Liverpool market keeps just about steady. It seems the
orting countries have no difficulty in obtaining supplies without
contributions to speak of from the United States, and only very
ll quantities from Canada. The total world shipments this week
unted to 11,100,000 bushels against 11,300,000 in 1934, but the
tribution from Canada was about 800,000 bushels less than the pre-
us season. The amount on passage is comparatively small --about
illion bushels less than a year ago; but yet there seems to be no
prehension on part of European consumers that they will be able to
ain supplies without difficulties.

At the close the wheat market showed a decline of 1 1/8¢ per
shel compared with Saturday.

(over)

A further recession in the price of corn must be attributed entirely to further forced liquidation, as receipts were only 402,0 bushels against 955,000 in 1934. Consumption keeps up reasonably well, high premiums are being paid in the southwestern markets, and further importations into this country seem to be out of the questi at the present price level. The visible supply now is very small f the time of the year, only 24 million bushels, and practically 40 million bushels less than the previous year. At the rate of disappearance there ought to be very little left by the time the new corn crop commences to move. In fact, we can foresee a situation when next July, if not in May, deliveries will be so small that it will be rather uncomfortable for the short; this ought to be the case more in July and September.

Oats and rye suffered the sharpest breaks, and as these cer do not have such a broad market it again demonstrates how lack of speculation is harmful to the farmer.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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Y RK COFFEE AND SUGAR EX.
O MODITY EXCHANGE INC.

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MEMBERS:
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

March 19, 1935

The Belgian cabinet has resigned. The financial difficul-
es of that country have not been solved, but temporary measures
ch have been taken have prevented any immediate debacle in the ex-
nge. For all practical purposes, Belgium, Italy and Germany, as
l as Spain, are now more or less under a managed currency; and the
y countries which are still on the old gold basis, with no reduc-
n in the contents of the precious metal in their currency, and
re gold bullion can be obtained for either hoarding or shipping
poses, are France, Switzerland and Holland. The circle is narrowing,
wing conclusiwely how difficult it is for a limited number of coun-
es to remain on the old gold basis, when other countries through
aluation are on a better competitive basis for export and also en-
a cheaper cost of living comparatively.

Under these circumstances uncertainties all over the world
the present time are too great to even contemplate a general sta-
ization for some time to come, and much is likely to happen before
s can take place. Commodity values will continue to be affected
the fluctuations of these various exchanges. Today sterling was
her strong; the French exchange weakened,but the changes were not so
at as to have a material influence on commodities.

Liverpool cables are very steady right along and we hardly
ect any further declines abroad, wheat already selling so cheap.
pressure from the Southern Hemisphere from now on probably will
inish rather than increase. As a general rule Argentina has finish-
with her heaviest weekly shipments at the end of March; and the
e can be said of Australia. Of course, there is always danger that
ada might change her policy and enter the world markets more freely,
there are no signs as yet that such action will be taken.

Canada again exported last week only 3 million bu versus
out 3,800,000 bu the comparable week of last year; and the total
pments from North America are 42 million bu less than last season,
ce July 1, 1934. It is also very significant that Canada has been
placed by Argentina as the largest exporter, that country having
plied the world since July 1,1934 with 15 million bu more than all of
th America.

The open interest had decreased again 1,500,000 bu yesterday,
it appeared today as though the steady liquidation which had been
ing on for some time may have been halted, and a better sentiment
evailed. The fact that the drought continued for another day pro-
bly had its effect; and this will be an all important factor, unless
shall have more copious rains from now on than we had in the past,
rticularly in the western part of the wheat belt.

Primary receipts were extremely light, possibly as light, or
most so, as anybody has ever seen them- 110,000 bu against 340,000
last year, or virtually one-third. Stocks at Kansas City, Duluth
d Minneapolis, however, show so far for the first day after the
sible was given out a decrease of only 81,000 bu.

The fact that cotton prices also advanced and stocks firmed
in Wall Street may have had a sentimental effect, feeling being a
ttle more cheerful today; and at the close wheat showed an advance
5/8 cents compared with yesterday.

Corn statistics are extremely bullish no matter from what
int of view they are looked upon. Chicago, the greatest market in
e United States, has only a supply of 5,388,000 bu, showing a de-
ease in one week of over 600,000 bu; and there seems to be no chance

(OVER)

to replenish these stocks for another six months. Primary receipts continue to be extremely light, being only 149,000 bu versus 737,000 bu last year, or practically one-fifth. A steady decrease in the visible supply figures, therefore, is almost a certainty. When it is further considered that this situation cannot change very materially for about six months, when another crop comes on the market, it is certainly possible that sooner or later we shall run into a very tight position; and deliveries of all future contracts will be hard to make, with cash corn selling at such high premiums. At Kansas City No. 2 yellow corn is still bringing about 6 to 7 cents over the current futures. For a while sentiment was very bearish on the expectation that Argentina importations would take the place of the homegrown article. However, since the sharp decline Europe is a better market for that corn at the present time than ours; and we know of at least one cargo which had been intended for the United States, which has been diverted abroad. We doubt at present level of prices whether importations will be anywhere near as heavy as were expected. At the close the market showed an advance of 5/8 cents per bu compared with yesterday on the active futures.

Oats and rye both sympathized with the advance in the more important cereals.

UHLMANN GRAIN CO.

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MEMBERS:
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141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO March 20, 1935.

There was no great change today in world's monetary matters, rling was a little weaker, and French francs did not do very much; ancial interests are gradually becoming accustomed to the thought t Belgium will follow suit of the other nations which have gone the gold basis, and are now watching what the remaining ones l do. It is not likely that if general devaluation takes place t it will come very quickly, as France can hold out for some time h her very large gold reserves. Uncertainties, however, will con- ue to exist.

The main influence today was the continued bad weather in the thwest, from where reports of dust storms were very numerous; if y are not exaggerated one would think that a calamity would be in ht. The trade, of course, could not ignore these reports, but k them rather coolly, figuring that there is still a large ter- ory in Kansas which has good prospects. Any extremely bullish ling was modified by timely rains in North Dakota, which seem to e been pretty general.

As we have pointed out many times, the weather from now on l be the important factor, although the strength in the cash uation also is likely to exert itself. Primary receipts today e only 142,000 bushels compared with 366,000 last year; and stocks Kansas City, Duluth and Minneapolis so far this week show a de- ase of 260,000 bushels.

Foreign markets which for a long time had declined almost ly are now showing the opposite tendency; and Liverpool registered her quotations again, which in turn had their influence on nipeg.

The extreme strength in the Southwest from where the bad crop ports come was particularly impressive. Kansas City May and July ures advanced much more than ours --about 3 to 3 1/4¢ per bushel.

This afternoon after the close of the session the Govern- t will issue its report, estimating what in its opinion the final eage for spring wheat harvest will be this season, making allow- e for probable abandonment. Of course, as much can happen, de- ding upon the weather, to alter the prospects whatever they may be, ertheless the report might have some influence on the market to- row should it show acreages decidedly larger than those of last year.

At the close the wheat market was 2¢ a bushel higher.

Corn sympathised partly with wheat, but it also has many in- endent friends regardless of other cereals. Receipts continue to very light; total primaries today were only 155,000 bushels inst 498,000 a year ago. Cash premiums were somewhat weaker today, are keeping very high in the Southwest; and with a visible supply only 25 million bushels, and decreasing steadily, there may be a y tight situation later on. Chicago stocks next Monday probably l not be much over 5 million bushels, with an open interest yes- day in the May of 31,600,000 bushels. Of course, a large quantity l be liquidated, but on the other hand, we believe that a great y consumers who cannot get their supplies any other way have pur- sed the futures, expecting actual deliveries to supply their needs.

Rye and oats sympathised with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

March 21, 1935.

The public announcement that the Agricultural Department will rmit spring wheat growers to plant their full acreage and yet pay em the same as if they had abandoned a certain percentage if re- uested, was construed variously as a market factor by the trade. There re cther conditions attached to it --namely, that if necessary they ould have to obligate themselves to make greater reductions next year required; and it was also intimated that should weather conditions prove from now on so that a greater surplus than anticipated be har- ested, it might be stored by Government agencies. This, of course, ould mean that any great surplus in case of favorable weather from w on would be taken care of to provide sufficient safe-guard in the ent of other lean years. Different deductions could be made from is changed policy. On one hand it seems clear that the Agricultural partment is somewhat alarmed by the continued drought, and is pre- aring to have at least ample supplies should weather continue to be nfavorable. However, the drought damage was nothing new to the trade; d, therefore, it came to the conclusion that with the permitted in- ease in acreage, the outlook for total spring yields will be better an previously looked for.

More dust-storm reports were received from the Southwest, ich caused new speculative buying, but the trade was not large enough sustain early advanced values, and during mid-session prices gave ay.

Another factor which contributed to the decline in wheat was e sharp break in cotton. While these two commodities really have thing in common, the fact that the Government, which is trying to stain values in both, is having such difficulties in keeping cotton ove the world's price, influences some of the skepticals in the ought that similar difficulties might arise in the regulations of eat prices should at any one time supplies become very burdensome. t was a comparatively easy task this year to sustain values when ields were practically the lowest in thirty or forty years, but it ight become a different proposition with bigger crops.

There is not much help in the way of speculation with the open terest decreasing continually. Otherwise much comfort could be had rom the extremely light receipts, primaries today being only 103,000 shels --something almost unprecedented. This compares with 265,000 shels last year; and under these circumstances nothing but steady ecreases in the visible supply may be expected. So far this week ocks at Kansas City, Duluth and Minneapolis show a decrease of 10,000 bushels.

There is fair encouragement from abroad, and the Liverpool arket indicates clearly that the world's situation as a whole has im- oved, always leaving Canada out of consideration. The latter coun- y still persists in tying up large supplies, and withholding them on large scale from foreign markets. While this condition lasts there e only two large exporting nations which must supply the greater are of European and non-European wants --namely, Argentina and stralia; and as they take advantage of the situation and gradually crease their selling prices, England, as well as all continental mar- ts, naturally must follow.

At the close the wheat market was 1/2¢ per bushel higher.

Corn was independently weak due to heavy liquidation, and ab- lute lack of new buyers, who seem to be thoroughly discouraged. atistics, in our opinion, are stronger than ever. Primary receipts re only 229,000 bushels against 484,000 a year ago; and shipments re 451,000 bushels, indicating another large decrease in the visible pply. When it is considered that since the start of the crop move- nt, November 3, 1934, the visible supply has decreased practically teadily every week, from 56 million bushels to 24 million, or over 4 million bushels in a period when we usually anticipate large in- reases, it is evident that as time goes on the visible stocks will windle to extraordinarily small proportions. There is no doubt that is week will again show a good decrease in visible stocks, and it will e practically six months yet before another crop can be harvested. ith the decline in prices there is no chance of new Argentine importa- ions. Premiums in the Southwest remain strong, and we were advised hat buyers on the floor at Kansas City were bidding 6 to 7 1/2¢ over he May future for #3 yellow corn, and the May future at Kansas City is onsiderably higher than ours. This makes it possible to ship corn from very large territory to the Southwest, whereas otherwise it would ome to Chicago.

Oats and rye showed but very little change compared with yes- erday.

DAILY MARKET LETTER

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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

March 22, 1935.

The only important event overnight in monetary matters was the ecline in Belgian exchange from last night's close of 23.33 belgas o the dollar to 22.60, or a decline of 73 points, equal to about 3 er cent. Exchange is now at a discount of around 4 per cent from he normal gold point, which means that Belgium is definitely off old. Otherwise, of course, exportations would take place and would how a big profit. That country had been fighting, using every means t her disposal, to stem the tide; she tried hard to obtain gold redits from France, but the inevitable had come to pass. The trade etween France and Belgium, and also the other adjoining countries is ery important, but possibly a 4 per cent change in the currency will ot be sufficient to materially affect the commerce. However, if his is the beginning of further depreciation, it might become more erious for France. The unemployment in France at the present time s the greatest ever, and her commerce has been declining rapidly. ny further adverse trade balance might affect France's policy, and he will have to watch from now on, not only sterling exchange, but lso the belgas. Today there was hardly any fluctuation in the ranc, but the matter must not be forgotten, as exchange fluctuations lways had, and are bound to continue to have, important effects on ommodity prices.

Liverpool cables were extremely strong today, advancing about 1/2¢ per bushel; and any pronounced tendency in that quarter either pward or downward always affects every other market, actually or ympathetically. She still remains the great center of attention, bsorbing considerably more than 40 per cent of all European importaions. This immediately gave great confidence to Canadian operators, ho still hope, although disappointed after 33 weeks, that the deand for the remaining 19 weeks of the crop year might be sufficient o reduce the exportable surplus considerably. At the present time, ccording to Sanford Evans, as of March 16th, there were still availble in that country 260 million bushels above domestic requirements. xports up to that time had been only 108 million bushels, and it ould require shipments of 3 million bushels weekly for 19 weeks to ring the carryover down to what it was last year on August 1st, or bout 203 million bushels. Of course, should Argentine and Australian learances drop off there is still a possibility that the demand for anadian wheat will increase above that quantity. However, so far rices are way out of line except for fancy purposes; and should anada insist upon raising her price level the same as Liverpool, exrt operations would be hampered. Argentina cleared this week almost million bushels less than in 1934 --namely, 2,826,000 bushels comred with 3,963,000 a year ago, but Australian exports exceeded those last season by about 400,000 bushels --being 2,242,000 bushels.

Here, outside of the sympathetic feeling caused by the foreign trength, the weather was the main factor. There were no important ains overnight in the Southwest; at this time of the year it is ery difficult to depress prices when rains are wanted and are not rthcoming. At times outside influences depress prices, but as a eneral rule the level will not stay down until the moisture question s partially or altogether relieved. Therefore much will depend pon the amount of precipitation which may take place from now on.

In the meantime primary receipts are very light, being today 98,000 bushels versus 335,000 last year. Stocks continue to decrease, hose at Kansas City, Duluth and Minneapolis showing a decrease for he week of 562,000 bushels. We doubt whether the decrease in the isible supply will be as large as it had been the last two weeks, ut in 1934 the lowest point in visible stocks was reached on June 16, hen they were 73 million bushels. It is now already 20 million bu. ess than that figure.

The open interest is still declining, now being about 88 milion bushels, and points to the conclusion that speculation is taking ly slow hold in spite of the bad crop news.

(OVER)

At the close the wheat market was 1 1/4¢ per bushel higher.

Corn was purchased early with some spirit in view of the str domestic situation, but when an announcement came from Argentina t the minimum price for their corn, which had been fixed some time a had been materially reduced, it immediately caused apprehension tha further importations might take place. However, actual prices fo futures and cash corn in the Argentine showed no further decline; and, therefore, it is not necessarily to be assumed that because a minimum price had been fixed that declines will actually occur so that these low limits will be reached. Primary receipts continue to be light, only 291,000 bushels versus 579,000 in 1934; and we look for a fair-sized decrease again on Monday.

Oats and rye showed a better tone in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

March 23rd, 1935.

Liverpool cables were quite strong again today, and although
they did not maintain their early advance, they have closed higher
r the last five successive days, showing a decided improvement in
th world's situation. Possibly a little war-scare on part of specula-
rs, who are easily frightened, owing to the big headlines in the
espapers, may have had something to do with their strength. Never-
theless, we believe that the majority of people do not think any
reat war-scare is justified, at least for the present. As long as
ermany has no Navy of consequence, and as long as part of the
hineland is demilitarized, she cannot afford to have a struggle with
he other great powers. However, the economic warfare is continuing,
nd in the end may have almost as disastrous effects as fighting with
yonets, should it continue long enough.

The main foreign exchanges --Sterling and Francs-- hardly
aried. Belgian exchange was a little stronger, but England in view
the depreciation which has already taken place, and more which is
ticipated, has raised her tariffs on iron and steel products, so as
prevent Belgium from invading her markets. This nationalism on
rt of all is a great detriment to international commerce, and until
is removed business recovery can only be slow. This, of course,
a handicap to bull markets in grains.

Our opening was largely influenced by weather conditions. The
ount of rainfall was not important, although Oklahoma was rather
vored at some places with as much as one inch; but students of the
ather map believe there is a greater probability of precipitation
er Sunday than there has been for some time. This caused an easier
eling all around, the market finally closing 1 1/4¢ per bushel lower
han yesterday.

Those who are smart enough to guess the amount of precipitation
ring the growing period will come nearer to figuring the value of
eat, particularly new crop futures, as this will continue to remain
e important factor. The old crop futures to some extent will still
influenced by the small receipts and the diminishing stocks. Pri-
ry receipts today were only 211,000 bushels compared with 487,000
shels last year; and stocks at Kansas City, Duluth and Minneapolis
far this week show a decrease of 684,000 bushels. For the week
e excess of shipments over receipts was about 200,000 bu., but fur-
er taking into consideration the local consumption at each of the
rious points, we look for another good-sized decrease in the visible
pply, although we doubt whether it will be as much as last week or
en as much as last year when it was about 2,200,000 bu. The open
terest decreased yesterday 1,828,000 bushels, declining to the low-
t point in a long period; it shows that as fast as hedges are re-
ved tired longs are selling out, thus not having the usual effect of
rengthening the market. However, on the other hand, it clearly in-
cates that should for one reason or another any buying set in it will
equally difficult to keep prices down.

Corn was largely influenced by the decline in wheat, but also
believe there was more or less short selling by eastern interests
sympathy with the weakness in Wall-street stocks. Primary receipts
re only 250,000 bushels against 559,000 a year ago; for the week
tal receipts at primary markets were over 2,200,000 bushels less
an in 1934; and shipments were actually 370,000 bushels larger.
is indicates another big decrease in the visible supply, which has
clined of late to very small proportions.

Oats and rye declined with the other cereals, and closed
wer.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO March 25, 1935.

Liverpool cables declined over one-cent per bushel today com-
ared with Saturday's close. This, although the amount on-passage is
ry small for the time of the year, only 29,500,600 bu. against
7,400,000 last year; and also in spite of the fact that world ship-
nts were extremely small --8,410,000 bushels versus 9,568,000 a
ar ago. It is quite evident that there is no war-scare existing;
so that England, as well as the balance of Europe, is thoroughly
nvinced that they will be able to obtain larger supplies from
nada later on. It will be a question of an endurance fight, in
ich the importer feels he is bound to win out in the long run.

North America shipped again only 2,542,000 bu, or 800,000 bu
ss than in 1934. Inasmuch as Canadian farmers' deliveries during
e week were almost 2 million bushels, it is quite clear that their
ocks are not being reduced very heavily. Their visible supply on
rch 15th was still over 237 million bu; and unless the situation
anges completely within the next four months, the Canadian carry-
er will be tremendous. This might become particularly burden-
me if next year's crop would be larger than that of the past season;
d such a thing is quite possible, as moisture conditions so far
e more favorable.

The greatest influence here was again the weather, on which
e news was rather mixed. There were some rains in Oklahoma where
ey will do lots of good; also some in the Panhandle of Texas and
various scattered points; but the situation in the western part
Kansas has not yet been relieved and high winds were again re-
rted from many places. This kept the July future comparatively
rong, but more liquidation in May took place. The final decline
the main future was 1/4¢ per bushel.

However, the statistical situation on old crop supplies is by
means discouraging. Primary receipts continue to be light --only
1,000 bu against 654,000 in 1934; and the visible supply this week
ows a decrease of 1,857,000 bushels, reducing it to 51 million bu,
41,584,000 bu less than a year ago. As a matter of fact, the
sible supply would have decreased even more had it not been for an
crease in Chicago of over 300,000 bushels. It is assumed that this
dition to the stocks here is due to the unloading of a cargo of
w-grade wheat from Canada which cannot be used for human purposes,
ly for feeding to animals.

Fluctuations in foreign exchanges were almost at a standstill
day, and were no factor as far as commodity prices were concerned.
til more is known about the opinions of the new Belgian cabinet
ich is to be formed, it is difficult to guess what their gold policy
ll be. But there is no question that the strength of the gold
oc has been weakened considerably of late; and scares in this
rection may be expected at any time.

The corn market weakened considerably early in the session,
rtly in sympathy with wheat, and also owing to continued liquidation
part of tired holders. However, the nearby future remained com-
ratively strong due to the very light receipts and the fear that
liveries in May might be extremely small and easily absorbed by the
nsuming interests. Primary receipts were only 450,000 bu, whereas
year ago they were 768,000 bu. The visible supply decreased
209,000 bu against a decrease in 1934 of only 134,000 bu. The total
w is 41,675,000 bu less, and about one-third of what it was last
ason. We see nothing in the situation to prevent further inroads
these stocks, which finally may create a very tight situation.

Oats and rye followed more or less the fluctuations of the
re important cereals, but showed no material change at the close.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO March 26, 1935.

Should receipts of cereals continue as small as they are now for
y length of time, they would soon be listed as belonging to the re-
il class instead of the wholesale. The second largest milling
nter in the United States, which is Kansas City, today received only
e car of wheat; and Chicago, which is the biggest corn market in the
rld, received only five cars. In ordinary times this amount is in-
fficient for even a small local consumer, not to speak of the many
nters which depend upon this market for their supplies. When it is
nsidered that a normal crop of corn in this country is about 500,000
mes the quantity of these five cars, it perhaps gives a clearer
cture of how the movement to this big market has decreased during
is drought season. Total receipts of corn in all primary markets
day were only 226,000 bushels compared with 528,000 a year ago. Were
not for the heavy importations, nobody could tell how great the
arcity might be during the next six months before another crop comes
market. Of course with Argentina reducing her prices right along,
ere finally will be sufficient for all purposes. At many interior
ints, however, which are too far from the coast, high premiums
y continue; at the present time, particularly at Kansas City, big pre-
iums are paid for the cash article; and it is not likely that there
ll be many deliveries on May contracts anywhere.

The market responded only moderately to the light movement, but
the close corn prices were 1/4¢ per bushel higher than yesterday for
e active futures, but the more deferred ones improved considerably.

As far as wheat is concerned, the total recovery of yesterday's
cline at Liverpool had a strengthening effect; that market closed
out 1 1/2¢ per bushel higher than the day before. As long as Canada
not offering her wheat freely, England is depending almost entirely
on Argentine offerings, which country also is sending considerably
gher quotations.

According to Bradstreet, North American exports for the past week
re again only 2,500,000 bu; and so far from July 1st to-date, or for
actically nine months, they were only 112 million bushels compared
th 152 million bushels last year. At this rate total clearances
om North America would be only 150 million bushels; but even should
ey be in the neighborhood of 170 million bushels, the Canadian carry-
er will be as large as last year, with prospects for next year's
eld very much better --at least as far as moisture conditions up to
te are concerned. Primary receipts of wheat today were 103,000 bu
rsus 372,000 in 1934; and stocks so far this week at Kansas City,
luth and Minneapolis show a decrease of 223,000 bu. The wheat
rket finally showed hardly any change from yesterday's close.

Trade continues to be extremely light, which is a great draw-back
any upward movement. The open wheat interest yesterday again de-
ined 760,000 bu, and total open contracts now are just a little over
million bu --the smallest in some time.

There were no rains overnight in the western part of the wheat
lt, but the weather prophets think there is a fair chance of some
ange from the dryness, and it is likely that eastern Kansas will have
ecipitation, which might extend also to the western part of that
ate.

There were very sharp fluctuations in Belgian exchange today, de-
ining at one time to about 14 per cent under the gold parity, but a
ick recovery took place. The last quotations, however, still indicate
at it is 9 per cent under the gold point; and this country for the
esent can no longer be classed with the gold bloc. Strange to say,
far this has had no effect on the French exchange, and perhaps it
ll not have unless sterling should have another downward tendency.
e gold bloc has been severely shaken by this latest event, and it
ll take all the courage and resources of the French Government to
intain its currency for an indefinite period.

Oats and rye were very much neglected, with unusually small
uctuations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

March 27, 1935.

News was rather constructive before our session opened today. verpool futures whowed another sharp advance of over one cent a shel which no doubt was in consequence of the further rise in gentine prices. Since Canada is not offering her wheat freely, rope depends upon importations from Argentine more than ever be- re. This is particularly so as Australian supplies are decidedly ss than in 1934, the visible supply, as of March 25, being placed only 68 million bushels compared with 92 million bushels or 24 llion bushels less than a year ago. Of course it is to be assumed t at one time or another Canada will take advantage of the situa- on to dispose of larger quantities of her surplus, and this could sily be done whenever prices are satisfactory to those who are ndling wheat for the Canadian Government. As of March 22, Canadian eat stocks amounted to 234 million bushels, or 10 million bushels re than last year. This figure does not include stocks in farmers' nds nor the amount of wheat in transit.

However, the greatest influence on sentiment was the con- nued drought in the Southwest. From barometric readings, a great y people had believed that rains were in sight, but they did not terialize. The outlook for precipitation has been removed for the ne being, or at least until atmospheric conditions change.

Outside traders either do not appreciate the situation or else ey are so discouraged that more or less liquidation is still taking ace. Again yesterday the open interest decreased 281,000 bushels, inging the total to less than 85 million bushels. One reason for scouragement may be the continued importations of all cereals. Dur- g the month of February importations were as follows:

Wheat	-	2,061,000 bus.
Corn	-	1,816,000 "
Oats	-	2,118,000 "
Rye	-	1,176,000 "
Barley	-	333,000 "
TOTAL	-	7,504,000 bus. of all cereals.

former years we did a fair export business at this time of the year, ich meant removal of hedges, and this year opposite transactions are king place and sales for future delivery are being made against ese importations. Therefore, it now requires much more bull news advance markets and to hold prices than heretofore. This is the ly way to account for the reluctance of traders to follow the bad ws from some of the growing districts more aggressively with buying ders.

However in spite of all the obstacles, the strong statistical sh situation, continued light receipts and more numerous reports dust storms could not be ignored; and the final figures were 3/8¢ per bushel higher than yesterday's close.

Primary receipts of wheat were only 138,000 bushels, while ipments amounted to 366,000 bushels; this compares with receipts st year of 297,000 bushels, and shipments of 333,000 bushels. ocks so far this week at Kansas City, Duluth and Minneapolis show a crease of 384,000 bushels, pointing to another large decrease in the sible supply next Monday.

Foreign exchanges did not fluctuate sufficiently today to be important factor. The trade has adjusted itself now to the fact at both Liro and Belgas, as well as German marks, are positively off ld, their currency selling at discounts. If Belgium now becomes a re aggressive exporter it will hurt both the German and French trade; so Holland might feel it. What the after-effects will be remains be seen, but the situation will have to be watched.

Corn sympathised with the strength in wheat, and owing to the rong statistical position it needed only the slightest stimulant r prices to advance. Primary receipts were only 158,000 bushels inst 406,000. Chicago's estimated receipts again were only 4 rs. It is quite plain that under the circumstances stocks will have decrease heavily every day, as the demand much exceeds new supplies.

Oats and rye closed higher in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO March 28, 1935.

With old wheat supplies and demand so very delicately balanced, it requires only the smallest new event to change the trend of the markets.

Today the sharp decline in rye sufficiently affected sentiment in all cereals to cause sympathetically a weaker feeling early in the session. The markets had started with higher quotations, and some enthusiasm prevailed that the advance of yesterday might be carried further.

Until recent years, we had been exporters of rye almost yearly, but in 1933 we imported 7,409,000 bu; in 1934, 7,624,000 bu; and so far in 1935 importations seem to be keeping up at a good rate. For two years in succession we had very poor crops of rye, and this article without importations would no doubt have brought fancy prices. With the outlook for the next crop about normal at present, and with the big carryover which is in sight, it is not impossible that this cereal will have to go on an export basis next season. Therefore while the price looks attractive, a continued carrying charge may make it difficult to realize profits even on the basis of present levels.

Liverpool wheat cables were about 1/2¢ per bushel lower, but considering the very sharp advances which have taken place of late, this probably is the reflection of a natural reaction.

There was not a bushel of wheat cleared this past week either from Russia or from Black sea ports, and the importing nations now depend entirely upon only three countries --Argentina, Australia and Canada. All the other competition has practically been eliminated, particularly the United States which was at one time on top of the list.

In view of the fact that the latest Argentine Government's final estimate of this season's crop has been reduced to 238 million bu. compared with 286 million last year, or 48 million bushels smaller, it is quite plain that heavy shipments from that quarter cannot continue for any length of time. This week's shipments are estimated at 4,593,000 bu, which is very heavy, but usually the peak clearances are reached at this period.

Weather continues to be unfavorable, no precipitation being reported in those areas where it is mostly needed.

The cash situation also remains strong and high premiums over the futures are being paid for any kind of cash wheat in the Southwest and Northwest.

Primary receipts are only 116,000 bu compared with 307,000 bu a year ago; and stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 531,000 bu, indicating another good-sized decrease in the visible supply on Monday.

We now have the full official statistics on importations of cereals for the years 1934 and 1933, which are as follows:

	1934	1933
Wheat	17,952,000 bu	9,317,000 bu.
Corn	2,959,000 "	161,000 "
Oats	5,161,000 "	131,000 "
Rye	7,624,000 "	7,409,000 "
Barley	7,111,000 "	28,000 "
	40,807,000 "	17,046,000 "

As far as importations of wheat are concerned, allowances must be made that part of this wheat was ground into flour in bond, and to such extent must be figured as only transit shipments. These are not importations in the sense that this wheat was actually consumed in the United States. However, until we raise another crop, we look for much heavier importations for the first six months of this crop year; but with normal crops, after July, this all may change again, and may have been an exceptional period in the history of the grain trade.

Trade was extremely light again today; and the open interest decreased slightly yesterday. Any further advances must come from deterioration of crops or a better wheat demand, as it appears that speculators are not inclined to take hold at the present time with so many uncertainties existing.

At the close the wheat market showed a decline of 1/2¢ per bu.

Corn receipts continue to be very light --190,000 bushels today against 418,000 last year; and while primary receipts were lighter, shipments were heavier, being 335,000 bushels versus 293,000 in 1934 We look for another sharp decrease in the visible supply, and with six months to go yet before stocks can be replenished, we anticipate a very tight situation in all futures when delivery time comes.

Oats declined in sympathy with the other grains. Rye, as mentioned before, was very weak, and seems to be gradually losing its friends, as there is no chance anymore that the accumulated supplies can be absorbed this season.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO March 29, 1935.

Sterling exchange was very strong today, and French exchange as a trifle weaker, but, of course, as long as France remains on a old basis her currency cannot vary much from the gold point. The trength in sterling can easily be explained, as continental money s fleeing to England, and will continue to do so until something ore is known about the prospective devaluation of the Belga. Belgium's eparture from gold is bound to have more or less effect on international trade and commodities. Belgium, for its size, is one of he busiest corners of the world; and although her population is only n the neighborhood of about 8 million, her exports are actually much arger than those of France. One of the reasons why France can probably hold out and remain on a gold basis longer than any of the her countries is due to the fact that 50 per cent of her foreign rade is with her own colonies. Therefore, she has not been similar- affected as have been other gold nations which must compete with e balance of the world. Nevertheless any further diminution of en that 50 per cent of international trade, plus the loss of tourst trade, will undoubtedly finally compel her to submit to the inevitable, particularly if Switzerland and Holland, which also are adly affected by the depreciation in world's currencies, would deide to join the rest of those countries which already have devalued.

Liverpool cables were lower, but this was mostly due to the rength in exchange, and therefore had no particular effect on sentient here.

There was no important news to influence traders today to ange their opinions, or commitments into which they had previously tered. The weather was bad again inasmuch as there was no precipitation where needed. But on the other hand, everybody is watchng the continued importations of all cereals from other countries. s far as importations for this crop year are concerned, from July st, 1934, to Feb. 28th, 1935, they were as follows:

Wheat	9,511,000 bu.
Corn	6,510,000 "
Oats	9,321,000 "
Rye	5,864,000 "
Barley	7,824,000 "
Total-	39,030,000 "

ty has been paid on everything. In addition 49,000 tons of hay re imported free of duty. Besides this, there has been a great drop exportations of lard. From January 1st, 1935, to March 16, 1935, exported 34 million pounds compared with 108 million pounds a year o.

Primary receipts of wheat continue to be light --only 178,000 ; no comparison can be made with last year when there was a holiday, t they were somewhat smaller than last week when they were 198,000 . Total decrease in stocks so far this week at Kansas City, Duluth d Minneapolis amounts to 765,000 bu. Trade remains extremely light.

Canada still remains the great danger to any advance in the rld's price level. That country does not seem to be making any effort get rid of her large stocks by meeting price competition. On rch 23, she still had available for export and carryover 258 million shels. Assuming that during the next 18 weeks she would clear 3 llion bushels weekly, or 54 million bushels, it would leave her on gust 1st with over 200 million bushels; about 100 million bushels re than was recently estimated by one of the authorities in Canada.

(OVER)

In the United States last year during the month of April, our visible supply of wheat decreased 6 1/2 million bushels, and with smaller stocks in farmers' hands the decrease should be greater, which would bring it down to very small proportions on first of May, delivery day.

In order to show how the importing world can get along with much smaller shipments than in previous years, we wish to point out that during April, 1934, world shipments amounted to about 35 million bushels versus 41 1/2 million the year before; and 63 1/2 million in 1932. We doubt whether this year they will be much larger than last.

At the close the wheat market showed a decline of 1/8¢ per bushel for the May delivery, but the deferred futures broke more.

Corn fluctuations were extremely light; primary receipts were somewhat heavier, totaling 352,000 bushels, but the largest part was received at Kansas City, which market was comparatively very strong for cash corn. Evidently the receipts came from other terminal points, probably mostly from Omaha.

Oats were barely steady, but there was no particular feature in that pit.

Rye declined factionally. It seems that the recent sales have placed another burden on that market which is difficult to absorb.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

March 30, 1935

Sterling exchange was a trifle weaker and French exchange vrtually unchanged. Inasmuch as Belgian gold can no longer find a haven in England, as it cannot be exported, their exchange is n longer affected by a similar movement which had taken place of te. All the other currencies which are still strictly on a gold sis cannot vary much, as any depreciation would instantly cause ch volumes of export that it would immediately be equalized. However, in order to obtain the trend one has to watch the discounts ich are now prevailing in France, Holland and Switzerland for the stant months, and in each case they are large enough to show that ere is great apprehension that during the next few months devaluation might take place. Of course there are no certainties about it, ut there are some inexorable laws which usually work out, despite al human efforts sometimes to prevent it.

Our market at the opening was entirely influenced by greater rength shown at Liverpool, continued dryness and further reports out dust storms. Advances were quite moderate considering the ews, but as heretofore, the absence of heavy speculation is preventing sharper upturns in comparison with what used to happen years go. Whenever we see signs of larger increases in the open interest, e may feel more confident that greater attention will be paid to terioration which has taken place already, and which might become erious if later on the spring wheat crop would not be very promising. he trade yesterday amounted to only about 9 million bu in wheat and he open interest decreased 150,000 bu.

Wheat receipts were light again today, 121,000 bu compared ith 598,000 bu for two days last year; and the total for this week mounted to 907,000 bu, with shipments 1,487,000 bu, indicating a air-sized decrease in the visible supply; and we think it will be t least as much as it was in 1934 for a comparable week, or 1,600,000 u.

Corn was independently strong and the diminishing supplies re bound to tell sooner or later, particularly since it will be nother six months before another crop can possibly come on the arket. Receipts were somewhat larger than of late, 345,000 bu, ut in comparison with last year when they amounted to 681,000 bu or two days, they are still insignificant. We look for another decrease in the visible supply on Monday, particularly in Chicago tocks; and as these cannot be replenished to any extent, the amount or May delivery will be very small- in fact, as long as the good remiums exist, it is doubtful whether much will be delivered, unless conditions change in the meantime.

Oats and rye all closed higher in sympathy with the other ereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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YORK COCOA EXCHANGE
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MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 1, 1935.

Liverpool cables were quite strong again today; also the in- eased world's shipments of 10,750,000 bu the past week, compared with 52,000 the previous year, look encouraging from the world point of ew. Only three major countries contributed to the importing needs, ile formerly about six were in this column. There were no contribu- ons from either Russia or the Black sea countries, United States, course, has been an importer this year, with no prospects that this ll change before another crop season starts. The biggest suppliers tinue to be Argentina and Australia, they together furnishing about 300,000 bu compared with 5 million in 1934; but Canada has fallen wn again quite severely, North American exports being 2,183,000 bu npared with 3,542,000 bu last season.

We do not look for any radical change in this situation, except at as Argentina and Australia cannot keep up their large quotas, nada will have an opportunity to sell larger quantities. However, e time is so short until a new crop comes on the market in both the ited States and Canada, that we do not think additional exports from nada will be sufficient to enable that country to reduce her surplus ocks to any appreciable extent.

The chief features influencing prices here today, however, were the one hand the actual and prospective weather reports, and the rengthening cash situation on the other. There were scattered minor ins in various parts of the country overnight, but the chief wheat lt in the western part of the winter area has had no benefit of ad- tional precipitation. The outlook, however, is that Kansas may be vored with rains, and as dryness in that territory was such a large ntributing factor in maintaining values, the very possibility of rains ways creates bearish sentiment. The receipts, however, continue to very light and make it difficult to depress prices very much for y length of time.

Primary receipts were 172,000 bu compared with 622,000 bu last ar; and the visible supply showed a larger decrease than expected-- 438,000 bu compared with 1,593,000 last year; the total has now been duced to less than 49 million bu, or over 42 million bu smaller than 1934. When it is considered that these weekly decreases will con- nue right along until the new crop starts to move, it is quite evident at in the end we shall deal with very small quantities at terminals.

This thought causes a slight widening between May and July, and ody can as yet be certain whether there will be many, if any, nders on May contracts on the first day of delivery. It will depend on the milling demand during the next four weeks.

At the close the wheat market showed a decline of 1/2¢ per bushel.

Corn was affected early by the weakness in wheat, but its strong herent position reasserted itself very soon and a firm undertone pre- iled during most of the session.

A private crop report estimated the farm reserves as only 427 llion bu. The average disappearance from April 1 to end of September, r a number of years, amounted to about 635 million bu yearly. Taking ll cognizance of the reduced consumption, it is quite evident that rm supplies will be very nearly exhausted before another crop will ready for market.

Receipts were somewhat heavier today --589,000 bu versus 619,000 1934, but we believe that the largest quantity was shipped from her terminal markets, as there is a tendency to reduce stocks where- er they had been held; but the big premium which both cash and May tures are bringing over the deferred months is an inducement to re- ce holdings.

The visible supply showed quite a large decrease --2,074,000 bu, ich is almost 10 per cent in one week, and the total is considerably ss than one-third of what it was in 1934; in fact 43 million bu ss than last season.

Under these circumstances we do not look forward to any de- veries in May, and would not be surprised if the nearby future would ain still further on the deferred ones.

Foreign exchange quotations show practically no change and cur- ncy matters were ignored today. Germany's currency continues to re- in a farce, and with all the restrictions, it is still impossible tell whether she can even remain on the nominal gold basis which e pretends. Spain and Italy maintain their restrictions on gold ports and are still considerably under gold parity. Switzerland obably will hold out at least until there will be a plebiscite to cide the question. France and Holland are compelled to export rge quantities of gold now to maintain their parities.

Oats and rye were very steady, with hardly any changes

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CHICAGO MERCHANTILE EX.

CHICAGO April 2, 1935.

Liverpool cables were again quite strong today, showing
nther moderate advance. Weather continued dry in the western part
f the wheat belt, and no relief to the plant in the way of precipita-
in occurred overnight, although rain had been predicted. These two
tms are most influential at the present time, and are being watched
de closely by the trade than anything else. Under these circum-
tnces an advancing market for wheat was expected before the opening;
s a matter of fact, higher prices were established early in the day,
u same as of late, new buying orders were scarce, and the absence of
e large speculative interest makes it more difficult than usual to
rng about higher levels and maintain them. Trade was again extreme-
y light. The close showed a decline of 1/4¢ per bushel for May wheat.

Domestically, there also would be some encouragement ordina-
iy to the buying side from the fact that stocks at all primary mar-
es are extremely light. The amount of wheat in Chicago elevators,
ch public and private, totals only 4,878,000 bu. This includes some
adian wheat which was brought here for feeding to animals and can-
t be used for human nourishment, and is not deliverable on contracts.

The open contracts in May wheat alone are still over 52 mil-
n bu; both longs and shorts are very stubborn. The shorts we believe
e mostly hedgers who own the actual cash wheat in outside markets,
; owing to the fact that wheat is worth more money almost every
ace else than here, freights considered, it is not practical to ship
s wheat to Chicago for delivery on contracts. This creates a rather
icate situation. May wheat remains comparatively strong, bringing
air-sized premium over the July future. The prospects of accumulat-
g any wheat from farmers' deliveries are also infinitesimally small.
imary receipts continue to be light, being only 205,000 bu today,
d stocks at Kansas City, Duluth and Minneapolis are still decreasing--
owing so far this week a decrease of 225,000 bushels.

The private crop experts commented on the outlook today, and
e average estimate of the probable results of this year's winter
eat crop was 490 million bu, which was much as expected, and, there-
re, no market factor. Analyzing some of these reports, the strik-
g feature is that the abandonment is very small in the soft winter
eat states, but very large in Kansas, Oklahoma and Texas. This
uld indicate, if there is no material change between now and the
rvesting of the crop, that Chicago is likely to receive comparative-
larger receipts than the southwestern markets. The trade is al-
ady appreciating this thoroughly, and Kansas City futures are sell-
g at much smaller discounts than usual under ours.

The situation in corn is very similar to that in wheat. In-
far as prospects for delivery are concerned, the outlook is even
orer. Total stocks in Chicago for all kinds of corn are about
1/2 million bu, but the amount in public elevators is only 1,228,000
, and of that, warehouse receipts for 135,000 bu were canceled today;
by the time the next report comes out on Tuesday, the chances are
ere will not be much more than one million bushels left.

Corn is bringing big premiums in every market and receipts
erywhere are hardly sufficient for local demand. Today's primary
ceipts at all points, while somewhat larger than of late, were only
0,000 bu versus 367,000 bu similar week in 1934.

The May future of corn is already commencing to show tight-
ss and advanced to more than 6¢ per bushel over July. Probably the
fference will have to widen more in order to attract large quantities
this cereal to Chicago.

Oats and rye were indifferent, trade was of very small pro-
rtions, and these cereals closed slightly lower.

Foreign exchange fluctuated but very little, and the fact that
e small province of Luxemberg also joined the other nations which
ve devalued their currencies had no effect in the financial world.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO April 3, 1935.

Cables registered higher prices again both from Argentina and
erpool, the latter being a reflection of the strength in the South-
Hemisphere. Inasmuch as both Europe and ex-Europe are depending
argely this year upon shipments from the Southern Hemisphere, and
ong as Canada is holding her prices much above parity, they will
ompelled more or less to follow the price designated there instead
eading it. So far Europe has absorbed 16 million bu less wheat
last year, and they permitted their on-passage quantity to run
below the normal, hoping all the time that Canada will be forced
er or later to dispose of her huge surplus. However, inasmuch as
ernment agencies in Canada are holding up the market, and it ad-
ed today more than Liverpool, they seem to be inclined to force
European consumer to come to their terms. It is doubtful whether
will succeed, but in the meantime it creates a very uncertain
ation.
ners' deliveries in Canada are still quite reasonable, amounting
,900,000 bu for the week ending March 29, or only 100,000 bushels
than in 1934 for a similar week. Also it must be taken into con-
ration that the moisture conditions in Canada so far are quite
rable. It would be a calamity for the farmer next season if a
endous surplus would be carried over into the new crop, and this
ollowed by a larger crop than last year. At the present time
September to March, both inclusive, the fall and winter precipita-
was 6.40 inches versus a normal of 5.76 --therefore very pro-
ng. Of course the final outcome will depend so much upon the
ipitation during the summer months and nothing can be stated def-
ely right now, except that everything is propitious up to date as
as soil conditions are concerned.

The chief influence here was the weather, and while continued
ess prevailed, the experts felt more confident than for some time
we might have rains over vast territories, although they qualified
y adding that they might not be heavy. With the present pessimis-
feeling which is predominant, the very idea that there might be
ange in climatic conditions had a depressing influence on wheat
es.

Primary receipts continue to be light, only 175,000 bu compared
384,000 last year. Stocks at Kansas City, Duluth and Minneapolis
inue to show decreases, amounting to so far this week 371,000 bu.

Considering all the bullish news from abroad, with higher mar-
at Rotterdam and Buenos Aires, as well as Liverpool and Canada,
t made a very poor showing, particularly as it also derived at
s a great deal of sympathetic strength from the sharp advance in
.

At the close the wheat market registered an advance of 5/8¢
bu.

The corn market today finally woke up to the many bullish in-
nces which we have pointed out for some time. Warehouse receipts
66,000 bushels in public elevators were cancelled again; Chicago
stocks must be disappearing very fast. Total primary receipts
only 275,000 bu compared with 208,000 last year, but shipments
377,000 bushels; consequently, supplies at most points must con-
e to decrease. It looks more and more as if available supplies
delivery on May contracts would be extremely small; and it may be
ible in order to relieve the situation that corn must be shipped
hicago from points which usually draw their supplies from here.
he present time the yellow cereal is comparatively cheaper in the
than here.

At the close the nearby future showed an advance of 2 1/4¢
ushel.

Oats and rye sympathised moderately with the leading cereals.
oats also are in a very tight position, and the cash article is
ing at a big premium over the future. Therefore, with the small
ks it is not likely there will be any deliveries at the beginning
he month.

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CHICAGO MERCHANTILE EX.

CHICAGO April 4, 1935.

All foreign markets showed great strength today, and the sharp ances in wheat prices everywhere are certainly most encouraging. erpool, Rotterdam, and Buenos Aires, as well as Canada, all showed same rising tendency. This great strength has been going on more less now for almost two weeks, so that it is very impressive. re certainly can be nothing more stimulating in the long run than consuming countries to reach out for supplies and have to send ancing bids in order to obtain their necessary requirements. As as Europe is concerned, the situation is about as sound as it can as consumers have permitted their stocks to dwindle to very small portions. At the present time there are only very few countries ch have large exportable quantities to offer, with the exception Canada. If it were not for that country, there would be nothing ificial in the situation, and one could be most encouraged about the ure; but there also remains the danger that Canada, with its large cks, might enter the market on a more lively scale as a seller as a bigger competitor with Argentina and Australia. So far there no signs that this will occur; but on the other hand with a visible ply of 231 million bushels, a large quantity of which is owned by adian Government agencies, with a crop only four months away, it is likely that a policy will be pursued which in the long run might ng about higher prices for only small quantities. However, finally would be very disastrous next year for the Canadian farmer, when h the old and the new wheat will have to be sold at world's prices competitive markets.

This situation was certainly very helpful to sentiment here, as l as the fact that again no rains took place in the southwest. How- r weather experts still believe that more or less precipitation ht occur in the drought belt. In the meantime the Northwest was ited with fair amounts of snows, which will give the spring wheat ery good start.

All other cereals besides wheat were purchased at higher prices, were a great stimulant at times to the sister cereal; but May wheat ertheless followed only reluctantly, showing an advance at the se of only 3/4-cent per bushel. The only explanation for this is that culation is still at very low ebb, and previous holders are gradually uidating their long lines. Yesterday, for instance, the open erest in May wheat declined 626,000 bushels. It seems that on every tle advance there is some for sale and new purchases are made in y and September at discounts; and these futures were comparatively ner today.

There is no fear, however, that stocks of old wheat are likely ecome burdensome on this crop. Primary receipts today were only ,000 bushels compared with 271,000 last year; and shipments were ,000 bushels. Steady decreases at all primary markets continue; so far this week stocks at Kansas City, Duluth and Minneapolis show et decrease of 571,000 bushels. Argentine shipments were very vy today, being almost 5 million bushels, or double what they were year, but as the crop was very much smaller than in 1934, these vy exports now are undoubtedly at the expense of smaller shipments er on.

Sterling exchange was very strong and higher today; and French ncs were rather weak. It looks very much as though more French ital were fleeing to England. This is more likely to be a correct ss, as 90-days Dutch money and Swiss francs are selling at big dis- nts, proving conclusively that the capitalists in those countries somewhat fearful of what might happen in the future.

Corn hedgers and shorts are becoming more and more afraid of ling their contracts owing to the steadily decreasing stocks here Chicago, smaller receipts and good cash demand. Primary receipts e 258,000 bu; while this is somewhat larger than last year when y were 194,000 bu, shipments exceeded the receipts --being 305,000 bu h premiums were a trifle easier, but futures were all in excellent and, closing 2 1/2-cents per bushel higher.

Oats and rye, which had been almost dormant of late, were eager- purchased today at much higher prices, and at the close had gained siderably over the previous day's final figures.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 5, 1935.

The reaction in wheat values in Europe after a steady advance almost two weeks was overdue, and it came today. Prices of wheat Liverpool and Rotterdam, also Buenos Aires, had gradually adnced anywhere from 7 to 10¢ per bushel. It also must be considered at large speculation in commodities took place there, similar to at which occurred her in July 1933, when inflation was expected. actically every currency in Europe is now below the gold shipping int --Holland, Switzerland, Spain, Italy and Germany. In the two portant countries which are still on a gold basis, Holland and itzerland, 90-day exchange is still selling at unheard of discounts; all are more or less shaky. France is holding comparatively eady, but even her exchange was affected a trifle, being a little wer, although with her large gold reserves she will be the last to ve way, if at all.

Capital is still fleeing to London; consequently, Sterling reins very strong for the present. If that currency should ever give y, either because the government would find it disadvantageous to ve Sterling too strong thereby hurting the export business, or beuse her trade balance would work against her, another blow might dealt to currencies of continental countries. All of this makes reign trade still very uncertain. A decline in Liverpool wheat ices amounting to about 2¢ per bushel immediately had repercussions re, and it not only affected wheat prices at our opening today, t also all other cereals, which registered immediate declines.

The weather in the winter wheat belt was again disappointing to e extent that there was no precipitation in western sections where is so badly needed. However, there were some rains in eastern nsas which will do lots of good, although the acreage in that part smaller. There was also splendid moisture all over the Northst, which ought to encourage the seeding of larger acreages than re originally intended, and will also give the plant a good start ter on.

The opening of navigation, which is often a very important event the grain trade, will take place within a week or two, but this ar no one pays any attention to the exact date --it is creating interest whatsoever, as there is practically nothing to be shipped om here or the other lake points. Through the heavy importations both corn and oats, the east is very well supplied with these reals, and they are selling much under our parity.

As far as wheat is concerned, the stocks of spring wheat at nneapolis and Duluth are so small that they have nothing to spare, millers at home require all that is left. Chicago stocks are also ite low. Whatever small quantities of red wheat could be spared ll not compete with the lower prices still existing in Ohio and me of the other eastern states.

Primary receipts continue to be light, only 216,000 bu versus 3,000 last year. Stocks at Kansas City, Duluth and Minneapolis ow a decrease so far this week of 738,000 bu. We look for another od-sized decrease in the visible supply, but doubt very much whether will be as large as the one last year, for a comparable week, of 191,000 bu. However, supplies have been so largely reduced aldy that the old wheat should not be burdensome for the balance of is season.

At the close the market showed a decline of 1 1/4¢ per bushel.

Corn sympathized with the lower prices in wheat; otherwise there s no change in the strong situation which has existed right along. le primary receipts were somewhat larger, 309,000 bu compared h only 185,000 bu last year, the shipments amounted to 294,000 and if the local consumption from the reporting points is added that, it is quite evident that stocks must continue to decrease rther. We look for another decrease in the visible supply on Mon. We also believe that another inroad will be made in Chicago ocks, which have dwindled already to 4,500,000 bu; therefore, the tlook for deliveries on May contracts is not very encouraging.

Toward the last the stock market became quite strong, and this llied all grains from the low points of the day, with corn showing e greatest power to recover.

UHLMANN GRAIN CO.

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

April 6, 1935

Foreign markets showed a fair recovery from yesterday's
line, and it seems that with the low price existing abroad the ten-
cy is rather on the constructive side. There is no great pressure
part of the exporting nations from any one of them, which situation
not likely to change unless or until Canada, which is the only one
h a large exportable surplus, changes her policy. There are no signs
tsoever as yet that this will occur, but it must be borne in mind
t should a normal or large crop be harvested later on, it will no
ger remain a question of what the managers of the Canadian pool will
h to do, but they may be compelled to meet world prices. Canada's
ortable surplus, as at the end of March, was estimated at about
million bu, or 2,500,000 bu less than the same quantity which was
ilable for the identical period last year. Considering that the
e consumption is only 110,000,000 bu yearly, and that they are only
enteen weeks away from another crop, it appears as if there would
almost enough left for approximately two years' home requirements,
that whatever would be raised next year would be available for ex-
t. With good soil conditions at the present time there is no rea-
why Canada might not raise from 350 to 400 million bu, with normal
ther, on the estimated acreage.

The chief influence here was the report of rather wide-
ead precipitation, but the total amount of rainfall so far was not
y heavy, and from some districts dust storms continue to come in.
ever, the weather outlook over Sunday is also more favorable, and
doubt the future trend of wheat prices will be more influenced by
possible improvement in the crop outlook. Later on the size of
spring wheat acreage will be an important factor. As a general
e when soil conditions are favorable, and particularly when the
ce level is also satisfactory, the tendency will be to plant as
h as possible; and it is more than likely that we shall have a very
ge spring wheat acreage.

Primary receipts continue to be light, only 173,000 bu ver-
348,000 last year. Stocks at Kansas City, Duluth and Minneapolis
far this week show a decrease of 847,000 bu, thus indicating a good-
ed decrease in the visible supply on Monday.

Towards the close there was more or less liquidation, trad-
s feeling that with more favorable weather conditions over the holi-
, there might be a change in sentiment.

At the close the market showed a decline of 1/4¢ per bushel.

Corn receipts were somewhat heavier than of late, being
,000 bu against 172,000 bu, and they exceeded the shipments, which
e only 275,000 bu. However, not too much attention should be paid
that, because a number of terminal markets are disposing of their
cks on account of the high cash premiums, as well as the premium
ch is being paid for the May future over July. Consequently there
a great deal of shifting from one market to another, and we look
another fair-sized decrease in the visible supply on Monday. The
ertone in the corn market was rather strong during the greater part
the session, but occasionally prices weakened in sympathy with
at. The close showed only fractional changes.

Oats and rye fluctuated more or less with the other cereals,
hout any great variations at the end.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
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NEW YORK COFFEE AND SUGAR EX.
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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

April 8, 1935.

Today's market was quite remarkable in its actions, and shows very clearly what might temporarily happen when trade is as small as it is now, and how minor transactions might unduly affect prices. Before our session opened, everything pointed to lower prices. All foreign markets were weak; Liverpool, Buenos Aires, as well as Rotterdam. They had fair precipitation in Canada, improving soil conditions there, and therefore no encouragement, but rather discouragement, from abroad, where the strength had been our most stimulating factor of late. The weather conditions in the United States were also more favorable, much rain having fallen in the wheat belt, although the worst territories, particularly in western Kansas and parts of Texas, have had no relief as yet. However, the crop outlook on the whole must be considered as improved. But, and this is the strange part, the statistical agency advised the purchase of both wheat and corn. There must have been sufficient followers to start the corn market easily 2 cents a bushel higher for all months, and wheat also opened at advanced quotations. When one considers that all the statistics and news pertaining to grains are available to everyone and that no one possesses exclusively the talent for forecasting prices correctly, it must be assumed that today's influence of this extraordinary prediction can only be accounted for through the narrowness of the market; and that certain buying orders appearing all at the same time affected prices more than ordinarily would be the case.

World's shipments were almost 10 million bu this week versus 8 million bu last year, and the amount on-passage is now about 32 million bu against 34 million bu last year; therefore, Europe is in a somewhat more comfortable position that she had been of late. The contribution from North America, mostly Canada, was only 2,721,000 bu compared with 3,328,000 bu in 1934, and therefore the tendency which has existed for so long to buy more from other countries than from Canada, where the price is kept up artificially, has not changed. Canadian country deliveries, for seven days, up to April 5, were actually larger than last year, being 1,743,000 bu., equaling almost a week's home consumption; consequently, a reduction in stocks can only take place through exports. For the month of March they were reduced about 9,500,000 bu, and if this rate continues during the following four months, the carryover will be not much less than 200 million bu, considerably above McFarland's estimate sometime ago.

Statistics on the old crop futures are still very constructive. Primary receipts at all markets were only 238,000 bu compared with 46,000 last year; and as practically daily requirements are in excess of new supplies, the visible supply continues to decline. This week the decrease amounted to 2,272,000 bu; and reduces the total now to a little over 46 million bu, or trifle more than half as much as in 1934, the actual quantity being 42 1/2 million bushels smaller. When it is considered that the outlook is for the same tendency to continue for 12 more weeks, until our new crop starts to move in earnest, it is quite evident that supplies at the end of the crop year will be down to very small proportions. At the close the wheat market showed an advance of 1 cent per bushel compared with Saturday's final figures.

Corn statistics are even more encouraging, supplies being absolutely inadequate for the demand. The visible supply continues to decrease at almost every point. For the week the decline in stocks amounted to 1,574,000 bu, or over 7 per cent; and the total now is a little over 18 million bushels versus 61 1/2 million a year ago. Chicago stocks show an actual decrease of 15 per cent for one week; and if continued at that rate in a short while there would be only a minimum left available for contracts. At the close the corn market was 2 cents per bushels higher.

Oats and rye sympathized with the great strength in the other cereals. Rye was the only grain in which the stocks in the visible supply increased. The continued importations and the near approach of the new crop make it difficult to boost and hold higher prices.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

April 9, 1935.

Liverpool wheat cables were moderately higher today, but not
fficiently so to have much effect on our market when the session
ened. Foreign currency exchanges also showed no fluctuations worth
ntioning. However, further reports of moisture in the wheat belt,
th indications of more, which this time included some of the dry
lt, had a tendency to cause a more bearish feeling.

The actual wheat demand is also very poor at the present time
d May and July wheat seem to come steadily closer together. There
bound to be heavy liquidation in May wheat during this month, as
e open interest is still close to 50 million bu with seventeen
siness days to go before delivery date. Opinions are still divided
to whether there will be heavy deliveries of red wheat or not. All
her kinds are excluded as they are bringing good premiums. The de-
nd for soft wheat remains very poor at the present time, and if
e July future remains at a discount the chances are rather in favor
at least some deliveries on part of elevator concerns. However,
stocks are very small, any improvement in the demand would change
e picture. Therefore with such a delicate balancing of conditions,
is rather difficult to make positive predictions.

In the meantime primary receipts are very light, being only
0,000 bu compared with 280,000 last year, and shipments were
8,000 bu, showing that elevator stocks are bound to continue to de-
ease. So far this week stocks at Minneapolis, Duluth and Kansas
ty show a decrease of 166,000 bu.

At times the market received quite a little encouragement from
e great strength at Winnipeg. Inasmuch as that market does not
flect actual conditions, being the biggest gamble that has ever
en undertaken by a small group who have full power to use the
vernment's money for this purpose, it ought not to be a permanent
ctor as far as our values are concerned. The great trouble with
is undertaking is that the repercussions will probably not only af-
ct their own country, but also the balance of the world. The ex-
se which was first given out for helping the farmers, no longer
lds good, because there are hardly 30 million bushels of wheat
t in Canadian farmers' hands, and they can be benefited only to a
fling extent by upholding the present level of prices. It appears
be more a matter of individual pride now to make a good paper
owing than anything else. When it is considered that Canadian
l conditions are promising and that next year they could easily
se 350 to 400 million bushels, or 100 million bu more than the
t season, it is sad to contemplate what the consequence might be.

At the close our wheat market showed a decline of 1/4¢ per bu.
m yesterday; tomorrow's trend probably will be largely influenced
whether the prediction for more moisture will materialize or not.

Corn primary receipts were fair --253,000 bushels, while ship-
ts were 297,000 bu. It is daily more and more appreciated that
plies which are needed for the next six months, before another
p is harvested, will be extraordinarily small, that there will be
tinued decreases in stocks at all terminal points, and that there
l be no great temptation to make deliveries as long as good pre-
ims exist. Under these circumstances moderate declines which took
ce at times in sympathy with wheat did not hold; and even a fair
unt of buying firmed up the market quickly. The close showed an
ance of 1 to 2 cents per bushel on various futures, the nearby
s profiting the least.

Oats and rye sympathized somewhat with the other cereals, but
smuch as there were more rumors about importations of several car-
s of rye, this article cannot be boosted easily, as the danger
sts that more hedging sales will come on the market right along.

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CHICAGO MERCHANTILE EX.

April 10, 1935

Liverpool cables exhibited extreme strength today, advancing one time 2 cents a bushel above yesterday's closing price, and at end retained about 1 1/2 cents a bushel gain. An advance of this e at Liverpool is more significant than an equal advance here, as the lish millers as a rule are more phlegmatic and are not easily driven o buying at advanced values, unless there is a good reason for it. cause for their change of policy of late is not difficult to explain during this season, starting early in August, consumers in Europe e holding back, figuring that Canada had a large surplus, and this ether with the Argentine and Australian shipments would give them the supplies they needed. They naturally assumed that the Canadian at was grown to be sold, but right along the government agencies in ada affected the attitude that they had the whip-hand- that the buy- would have to come to them, and by withholding a large part of ir crop they were able to influence the whole world picture. The sequence of this is that a certain quantity can be disposed of at ancing prices, but it also means a large corpse at the end of the son and additional pressure then, provided a larger crop will be sed in 1935 than there was in 1934. However, at the present time s naturally has a great sustaining influence on values.

As far as the United States is concerned, we were independent foreign conditions all this season, being so much nearer an import n an export basis. But, nevertheless, this great strengthening of at prices all over the world could not be ignored here.

Our open interest is steadily declining, now it is only 580,000 bu for all futures in wheat, which shows conclusively that strength obtained of late has not come through speculative purchases on the contrary, despite more or less liquidation right along, ces advanced, proving that temporarily consumption has overtaken the ilable supplies.

The weather for the new crop naturally had a good deal to do h the action of speculative buyers, millers, bakers, etc., and as ay again there were no rains in the dry wheat belt, it was easy establish higher levels. However, the weather map was not uniformly - there were good rains reported in Nebraska and in the northwest, h a possibility existing that there might be slight precipitation the western dry belt.

Primary receipts of wheat were only 201,000 bu versus 341,000 last year, and as the shipments amounted to 356,000 bu, it is easy forecast continued decreases in the visible supply. So far this k stocks at Kansas City, Duluth and Minneapolis decreased 501,000

Today's close showed an advance of 1 5/8 to 2 3/8 cents per hel above yesterday, according to the futures, the distant ones ac- cing the most.

After the close today the government report will come out giv- some very interesting figures about the planted acreage of winter at and the condition, also stocks in farmers' hands. If the informa- n should vary a great deal from what the trade expects, it will be a tor tomorrow in determining sentiment and effecting new commitments.

While corn had been the leader of late, today's strength in at was the chief cause of advancing corn prices still further; but a way they followed more reluctantly and did not show the same ength as the sister cereal. The underlying condition still remains

(OVER)

very strong, although the late advance may bring out heavier farmers deliveries and more importations- in fact, it appeared today as if more hedges were being put into the market. Primary receipts were only 210,000 bu against 244,000 bu last year, and shipments were 356,000 bu, indicating plainly that it is difficult to bring about accumulations; on the contrary one must anticipate further declines in stocks. When it is considered that the total supplies of corn in pub elevators in Chicago are only 872,000 bu, of which about 130,000 bu i white corn, bringing huge premiums, and which surely will not be delivered on contracts, it reduces the quantity so far available for delivery in May only a little over 700,000 bu. This naturally has a tendency to keep May corn at a big premium over July, unless the shor or hedgers will be compelled to bring in corn from other points not tributary to Chicago; and even shipments may have to come here from cente which usually draw from here.

There were no sharp fluctuations in foreign currency exchang however, the Dutch government bank was compelled again to raise the discount rate, because the outflow of gold continues on a very large scale. Such measures show the anxiety which is being felt in regard maintaining the currency on a gold basis.

Oats and rye advanced in sympathy with the balance of the other cereals, due to no special reason of their own, no change havin taken place in the rather favorable crop outlook.

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CHICAGO MERCHANTILE EX.

April 11, 1935.

After the close of yesterday's session the Agricultural Depart-
ent came out with an estimate on the indicated yield of winter wheat
r this year's harvest, which was very sensational. Its estimate
as 435 million bushels compared with a final yield last year of
05 million bushels, and 492 million bushels on April 1st, 1934.

The condition itself was not any worse than the private ex-
erts had made it at 70.8. It is, therefore, assumed that in ar-
iving at the figures an allowance had been made for a very large
andonment of agreage --probably about 28 per cent. Also further
onsideration was given to the fact that very often crops deteriorate
rom this time forward. Therefore, the figures might be more pessi-
stic than the situation actually justifies. There are cases on
ecord when crops turned out way above the April estimate. For
nstance, in 1931, in April, the Government expected only 644 million
ushels, and later reported 817 million as a final result.

However there is another side to it. Should the abandonment
f 28 per cent prove to be correct, (and this also is more or less of
guess at the present time) on a planted acreage of 44,306,000 acres
here would be a little less than 32 million acres left. A yield
er acre of 13.65 bushels, would give 435 million bushels. However
onsidering that that part of the acreage which is still standing is
ery promising, such a small yield is way below the average. The
en-year average from 1921 to 1930 was 14.7 bushels per acre.

In 1928 the yield per acre was 16.0 bushels
" 1929 " " " " " 14.2 "
" 1930 " " " " " 15.2 "
" 1931 " " " " " 19.0 "
" 1932 " " " " " 13.7 "

hould the final harvest not be over 435 million bushels, we would
eed at least an average crop of spring wheat - of say, 200 to 225
illion bushels - to cover our home consumption, leaving nothing for
xport, and ending next season again with moderate supplies.

We presume that the temptation is very great to increase the
pring wheat acreage, as the soil condition is very favorable, and
e price is very high. These two items together should induce
e farmer to seed all he can.

We think the weather has been rather favorable in the soft
heat belt during the last ten days, and it is quite likely that we
w know the worst about the crops and future reports will be more
vorable. If not, of course, this would be the third calamity in
ccession with largely reduced crops, and might give us very ex-
ting markets.

Foreigners had the knowledge of the crop report when their
rkets opened today; and Liverpool cables were considerably higher
ain, but did not quite hold. The Canadian markets were also af-
ected, but it seems that Mr. McFarland wisely took advantage of the
tuation, and there was some selling, supposedly for the Govern-
nt's account, in that market, bringing about a moderate decline.

Receipts still continue to be light, only 156,000 bushels com-
red with 293,000 a year ago; and stocks at Kansas City, Duluth and
nneapolis show a decrease of 617,000 bushels.

After the first excitement was over the trade came to the con-
usion that in all probability every future Government report will
better. The outside trade is still very light; the extreme ad-
nce could not hold, but yet there was a final improvement in May
eat of 1 1/8¢ per bushel over yesterday's close.

(OVER)

After several days of bulges in the corn price, there was no special inducement to accumulate more corn. When some realizing sales took place after the first wheat spurt there was a draggy tendency during the rest of the session, and the price showed a recession of 7/8¢ per bushel compared with yesterday's final figur Primary receipts of corn keep light, 186,000 bushels versus 283,0 in 1934; and shipments were 321,000 bushels, indicating a further decrease in the visible supply. We continue to believe that corn will remain a scarce article during the balance of the year, but the question remains, of course, how much in the price has already been discounted.

Oats were influenced by the Government report indicating lar farm reserves than the private experts had estimated, and May oats closed about 1 cent per bushel lower.

Rye fluctuated to a smaller degree than wheat, and the close was about unchanged.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO April 12, 1935.

Both Liverpool and Argentine wheat futures had declined since session closed yesterday, but there was a fair recovery in prices ing the day in both markets. However, it must always be borne in d that both these foreign centers have a considerably lower price ucture than we have, and therefore their firm undertone is quite ural.

This, in our opinion, will not change until Canada is offering wheat more freely at world's prices. Those who handle virtually of the surplus Canadian wheat for the Government have as yet made great inroads on their stocks. Under date of April 6 as estimated Sanford Evans, there was available for carryover and export approx- tely 252 million bu, after providing for home consumption. Presum- the weekly exports should be 3 million bu during the next sixteen ks, the carryover would be practically the same as last year, and ut 100 million bu more than Mr. McFarland estimated several months . Of course a miracle might happen, but we never like to figure on e. Therefore the question arises whether, whenever Mr. McFarland ds out that his calculations had been wrong, he will change his icy and become a more aggressive seller. This doubt is overhanging market at the present time. Of course, he probably has another ught in mind: namely, that after two succeeding short crops he nt be lucky enough to have a third one to help him out, but the nces that this will occur are against him, inasmuch as the moisture litions are better than average in Canada and certainly much im- ved from what they were last year.

Here the trade was confronted with big headlines reporting dust rms in about ten of the western states, and although this has been vn before and partly discounted, the fact that no further rains oc- red in the southwest with clearing weather predicted, had a stimu- ing effect. On the other hand soil conditions in the northwest are ter than they have been for years, and with the high price prevail- at the moment, these two items usually determine the size of the ng wheat acreage, which we therefore assume to be very much larger n recent expectations. It is more necessary than usual to watch crop outlook, owing to the much reduced carryover. Nevertheless s might be considered reasonably fair, in view of the fact that we onger are called upon for any sizable quantities for export, and ever we raise, plus what we have on hand, can be used entirely for stic purposes.

With the Government's estimate of stocks on farms of 94 million , or about 20 million bu larger than expected, we think that previous mates as to carryover of old wheat on July 1st ought to be figured ly at 150 million bu or more. This would compare with an average ryover of the 5-year period preceding 1929 of about 130 million bu; at that time, as above mentioned, we shipped a great deal abroad, our requirements were larger than now.

There is another very serious problem that has come up, and h might make quite a difference to the price level. Some wheat rage in Kansas will have to be plowed up soon under the corn-hog ract. This acreage was allowed to be planted to wheat for pasturage. s mostly in the eastern part of Kansas, which territory has the promising outlook now. In fact, the central and eastern part of as is the only territory that indicates anything worth while. We ly imagine that farmers will be compelled to carry out their con- t; otherwise it would be disastrous for them, and might cause a t outcry as the price is already reasonably high, particularly as farmer in the Northwest is permitted to raise practically all he s.

Primary receipts today were somewhat better, but still light, 000 bushels compared with 298,000 last year; and stocks at Kansas , Duluth and Minneapolis show a decrease so far this week of 000 bushels. Toward the latter part of the session speculation me more active, and the final figures were 2 1/2¢ per bushel higher yesterday's close. The May future passed the dollar mark, which been the goal of many for some time.

Corn after showing early weakness in sympathy with wheat re- red without any trouble, and at no time was it easy to make large hases without affecting the market. Primary receipts were 230,000 els versus 284,000 a year ago, but as shipments were 320,000 bu, ks continue to decrease almost daily.

Oats and rye without any special increased merit of their own nced in sympathy with the great strength in the other cereals.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO April 13, 1935.

A great deal of the last 10-cent advance came about through a
pply and demand situation without any help to speak of from partic-
ation of speculators. Supplies were dwindling right along, the
sible supply decreased from week to week, and the open interest de-
ned continually, but nevertheless more hedges had to be taken out
the market, so that there was a sound fundamental situation,
ch asserted itself. We believe if conditions had existed as in
rmer years when marginal requirements were left to the judgment of
commission houses, and when there was practically no limit as to
amount an individual could buy, we would have had a great bull
rket long before on account of the deteriorated crop prospects.
y for the last few days, after the Government report confirmed
great damage done to the growing plant, particularly in the
thwest, did the public take an interest again in the wheat mar-
. Therefore, the latest sharp advances must be attributed to
e extent to public buying. It is always difficult to boost prices
rough the slow process of consumption overtaking supplies; but
ther and crop-scare markets which attract outsiders very often
ng about much quicker results on the upturn.

We are now confronted with a situation which might develop into
reat bull market. However, a great "if" must be added: namely,
need continued encouragement in the way of further deterioration
the crop, but any improvement would change sentiment very mate-
lly.

Liverpool cables offered no encouragement today, being reason-
y strong --about 1 1/4¢ higher, which was not at all in proportion
the sharp advance which took place here yesterday after their
se.

The weather, however, continues to be dry, and while in some
ces dust storms have subsided the danger still exists that they
ht appear again unless precipitation follows, which is not in
ht at the present time.

We again call attention to the fact that the present low estimate
the final yield of winter wheat might be further reduced if the
ner would be compelled, according to his contract, to plow up some
the wheat land, which was supposed to be cultivated for addition-
feed only, and not for wheat raising. According to the corn-hog
tract as it stands at the present time, this wheat would have to
plowed up, but we imagine that with the probable scarcity which
prevail and considering that it would be so very unpopular with
farmer, and not only politically very hurtful, but also com-
cially so unreasonable, that permission will be given for all the
at sown to be harvested.

Trade has assumed a much greater volume, and after many fluctua-
ns the wheat market closed 3/8¢ per bu higher than yesterday.
ever, the extreme advance did not hold. Primary receipts were
raordinarily light, only 145,000 bushels compared with 345,000
year. Stocks at Kansas City, Duluth and Minneapolis show a de-
ase so far this week of 784,000 bushels. We look for another
rp decrease in the visible supply on Monday.

Foreign currencies did not change very much, but the gold coun-
es are still losing a great deal of the precious metal, but not
in sufficient quantities to cause any alarm. The danger point
be reached only if the citizens in those countries should be-
so scared that hoarding would take place on such a scale that
ould endanger the reserves of the central banks.

Corn acted more or less in sympathy with wheat, but fluctuations
not nearly so great, and the net advance also was smaller, being
per bushel. Primary receipts keep light, being only 268,000
els against 400,000 a year ago. We believe there is a good
dation for further advances as the season progresses.

Rye was in excellent demand and showed the greatest strength of
cereal. Oats also improved in sympathy with the others.

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CHICAGO MERCHANTILE EX.

April 15, 1935.

Weather conditions over Sunday were again very unfavorable
the Southwest. There was no rain recorded and many reports were
eceived this morning from Kansas indicating that conditions in that
ate and probably in Oklahoma are getting worse, and that the
age is spreading.

Nevertheless, our opening prices were considerably lower
an closing values on Saturday, probably being influenced by the de-
line at Liverpool of over 1 cent a bushel, and also the fact that
st week we had such a sharp rise and some liquidation took place.

It is becoming plainer all the time that the importing world
getting along with very moderate contributions from the exporting
untries. The world's exports of breadstuffs since July 1st are
most 5 million bu less than last season, when they were very small
so; and it was expected that with shorter European crops than were
rvested in 1934, import requirements would be much larger. This
ek again the clearances were only 9,707,000 bu against 10,714,000
in 1934. North America's contribution was 1,300,000 bu less and
is evident therefore that Canada continues to hold back in her
les to Europe, and consequently is threatened with a very heavy
rryover on August 1st. There are only fifteen weeks left before
eir new crop year commences, and sales would have to be over 3
llion bu weekly to change their carryover materially from the total
August 1, 1934. In the meantime, while soil conditions are not
rfect, we think they are much better than they were in the drought
asons of the past two years.

Our visible supply showed a very large decrease --2,280,000
versus 1,169,000 bu in 1934; and the total has been reduced now to
out one-half of that of the previous season: 44 million bu against
,690,000 bu. We expect further decreases until the new crop
arts to move.

It was reported that 400,000 bu of red wheat will be brought
m St. Louis to Chicago. This will have a tendency to weaken the
rby future against the further deferred ones, as this wheat un-
ubtedly is intended for delivery on May contracts, and the demand
red wheat is not very brisk at the moment. However, it should
be forgotten that the slightest change in the demand would alter
situation substantially.

Buffalo stocks have been reduced to 5 million bu, and we do
see how they can be replenished from points where they usually
eive large additions at the opening of navigation. Both Minnea-
lis and Duluth need every bushel which has been raised and stored
their territory to enable them to get through before next harvest.
hard wheat is bringing such big premiums that it almost becomes
hibitive for the eastern markets, and there is at least a slight
sibility that red wheat will have to be used as a substitute, where
inarily other varieties would be more desirable.

Primary receipts were larger than of late --445,000 bu which
pares with 499,000 bu similar week in 1934, but as the movement
m farmers is very light, the chances are that there has been more
n the usual changing from one terminal point to another, and does
really show any heavy addition on account of new sales on part
the producers.

With continued bad reports coming from the Southwest during
session, the market showed quite a recovery from the low point,
hough at the close registered a decline of 1/2 cent per bushel.

(OVER)

The corn market did not show the great strength which had prevailed of late; it opened considerably lower, and had several sinking spells during the session. The chief factor, we believe, was continued fears of heavier Argentine importations. However, formerly whenever the market declined for this reason, it recovered very quickly, because the Argentine corn so far has exerted no particular pressure. It was absorbed quickly; and in fact, it has become an absolute necessity to the eastern consumer, as without it an intolerable scarcity would have existed, which might have proven a great hardship to feeders and other consumers. Even with all this addition the visible supply decreased again 2,092,000 bushels, to the very low quantity of 16,109,000 bushels. When it is considered that stocks decreased in one week 12 per cent, it shows what might happen should this tendency continue for any length of time. We ourselves believe that corn will be a very scarce article before the season is over. Primary receipts today were 374,000 bushels versus 514,000 a year ago. At the close the market showed quite a good deal of strength for the nearby future, with May unchanged, but the more deferred ones declined 1 5/8¢ per bushel.

Oats and rye showed but small variations at the close compared with Saturday.

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CHICAGO MERCHANTILE EX.

April 16, 1935.

There was nothing very sensational in the news today, and con-
uently fluctuations were very limited near the opening. The wea-
r continued to be dry in the Southwest where moisture is badly
ded. This was predicted and expected, and as surprises usually caus
changes in the market, it did not have sufficient influence to
st prices early. Nevertheless, it should not be forgotten that
ry day which passes now without good precipitation, increases
territory where damage to the growing wheat crop is being done,
should there be no copious rainfall in the next two weeks we may
forward to another very bad Government crop report based on May
conditions.

Speculation is still very slow to take hold, and while the open
erest for the first time in a long while increased somewhat yester-
--about 754,000 bu., the total is only 81 million bu. for all
ires of wheat, which is much below the average at this time of the
.

Cables were somewhat lower, but during the session Argentina
t higher quotations, which we assume will be reflected in the open-
cable tomorrow at Liverpool; and therefore a more stimulating
le may be in sight.

At the present time European markets pay little attention to
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t allows these bread grains to be used for feeding purposes, as
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being too early to make any predictions of what the spring wheat
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rying out of the contracts made with the growers who were permitted
increase their wheat acreages on condition that the excess can
y be used for feeding animals and not supplying bread grains. It
happens that a large part of this increased acreage exists in
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ld, and ploughing up of this acreage would result in further re-
tions of yields, an event which would be extremely unfortunate for
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e than was intended when the policy was formed.

Bradstreet's clearances of wheat from North America this week are estimated at only 2,800,000 bushels compared with 5,674,000 a year ago, or just about half. So far on this crop there is a decrease in exports of 44 million bushels. This naturally puts Canada in a bad position unless the demand for their wheat should improve materially. Primary receipts today were fair, 244,000 bu versus 229,000 last year; and stocks at Kansas City, Duluth and Minneapolis show a more moderate decrease --only 156,000 bu so far this week.

During the session the Kansas City market became extremely strong. They, of course, are nearer the scene where the great damag has occurred. It is very seldom that at this time of the year their May future sells at a premium over ours; even their July future is extraordinarily strong, and cash wheat is selling at big premiums. The kind of wheat which is deliverable on their contracts would actually cost about 15 cents per bushel, or more, over our May futur delivered Chicago, if one would have to buy it from there. This caused a change in sentiment here, and the close showed an advance o 3 1/4¢ per bushel over yesterday.

The corn market was inclined to weakness early, but finally gained strength in sympathy with wheat. We still consider the funda mental situation as very sound. Primary receipts were 186,000 bu against 326,000; and shipments were 413,000 bu, indicating further decreases in the visible supply. Chicago public elevator stocks yesterday showed a total of only 656,000 bu, and out of this quantit 118,000 bu were white corn bringing a big premium. So if this were the first day of the month no more than 526,000 bu at best could be delivered out of public elevators. Needless to say the private elevator stocks are also small and undoubtedly will be merchandised.

The close was 1¢ per bushel higher than yesterday.

Oats and rye benefited from the strength in the other cereals and closed considerably higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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141 W. JACKSON BLVD.
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WINNIPEG GRAIN EXCHANGE
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

April 16, 1935.

There was nothing very sensational in the news today, and consequently fluctuations were very limited near the opening. The weather continued to be dry in the Southwest where moisture is badly needed. This was predicted and expected, and as surprises usually cause the changes in the market, it did not have sufficient influence to boost prices early. Nevertheless, it should not be forgotten that very day which passes now without good precipitation, increases he territory where damage to the growing wheat crop is being done, nd should there be no copious rainfall in the next two weeks we may ook forward to another very bad Government crop report based on May st conditions.

Speculation is still very slow to take hold, and while the open nterest for the first time in a long while increased somewhat yesterday --about 754,000 bu., the total is only 81 million bu. for all tures of wheat, which is much below the average at this time of the ar.

Cables were somewhat lower, but during the session Argentina ent higher quotations, which we assume will be reflected in the openng cable tomorrow at Liverpool; and therefore a more stimulating able may be in sight.

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(OVER)

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UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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CHICAGO MERCHANTILE EX.

April 17, 1935.

Liverpool cables made a very poor response to our sharp advance of yesterday. Also local showers occurred during the past twenty-four hours over the Dakotas, northwest Nebraska and eastern Kansas, although same were light. Further showers were general over the Canadian provinces. Rain is indicated tonight in eastern Kansas, eastern Nebraska and eastern Oklahoma; also more moisture over Missouri, Iowa, Illinois, Indiana and Ohio. Therefore, the weather was favorable everywhere except in the western part, where a large part of the wheat crop is already almost destroyed; so the tendency was to realize profits, and the opening of the session recorded lower prices. However, the weakness early was only moderate, and as long as there is no radical change in the present wheat crop outlook, which indicates a yield approximately equal to a year's consumption, no great permanent declines are in sight.

It would require a good spring wheat crop, together with the maintenance of good conditions in the soft winter wheat belt, which is still possible; and only under these circumstances could we possibly have a small surplus for export.

Nevertheless, world conditions are being watched very closely. The small world shipments so far this year are quite remarkable, being only 362 million bushels for 36 weeks, compared with 368 million same time last year. All of Europe imported only 401 million bushels of wheat and flour in 1934. United Kingdom's share was 234 million bushels, thus showing that all the other nations together have become so self-sustaining that we can no longer depend on them as being large importers. Even the United Kingdom, through subsidies, is increasing her production now, and so far on this crop received only 141 million bushels wheat, compared with 156 million a year ago. It is quite evident that should Canada have one of her normal crops, of say around 400 million bushels, she alone with her large carryover could supply the greatest part of the European and ex-European needs. Whenever prices are high ex-Europe is not a very large consumer of wheat; and in 1934 they purchased only 122 million bushels. From all this it is quite evident that our present level of prices can only be maintained or further increased if the domestic situation justifies it.

Primary receipts of wheat today were very light again, 212,000 bu against 278,000 a year ago, but as shipments were 363,000 bu it indicates further inroads on terminal supplies. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 278,000 bu.

At times the wheat market received some help from the great strength in corn, but toward the latter part of the session when this cereal declined from its previously attained high level, wheat suffered with it. At the close the wheat market showed a decline of 2 1/4¢ per bushel compared with yesterday.

Primary receipts of corn continue to be light, 235,000 bu, exactly the same as last year; shipments were 406,000 bushels compelling consumers to draw on previously accumulated stocks at terminal points.

The trade is becoming more and more aware of the fact that corn supplies for May delivery will be extremely small, causing particular strength in the nearby future, and the May future at times reached new high levels on the recent movement. When it is considered that there are only ten more sessions left before delivery day, with an open interest in May corn of over 25 million bushels, one wonders where the corn will come from to satisfy the longs, and some will need it for consumptive purposes. Of course, finally the demand will be taken care of, but it may be necessary to draw from points which usually come to Chicago for supplies. In any case it will be a very tight situation.

Rye and oats declined in sympathy with the sister cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

April 18, 1935

Liverpool had not appraised our sharp decline of yesterday as eing of paramount importance to them, and cables were only a trifle ower.

Europe seems to be well supplied for the present with shipments rom the Southern Hemisphere, and under the circumstances is reasonably ndependent. Argentine clearances this week are 2,839,000 bu compared ith 1,896,000 the parallel week in 1934; and Australian shipments were ,678,000 bu versus 1,430,000 bu the previous season; so the Southern emisphere supplied about 3 million bu more, which fact accounts for he light demand for Canadian wheat.

It is very evident that such a heavy movement cannot continue ndefinitely, where only moderate crops have been raised this year, ut it may last more or less for the next three months, by which time urope will be able to draw on her own harvest. After that it will e Canada which will have to do the worrying. Mr. McFarland seems o be quite proud that he succeeded in obtaining better prices for the armers than they would have been able to realize, had it not been or his holding policy; and he is 100 per cent correct in this. Howver, there are secondary consequences. Canada is rich enough so that he could probably afford to carry indefinitely 200 million bu of heat, pay storage charges on it, and lose the interest; but what she annot afford to do is to gradually accumulate another 100 or 200 illion bu and carry that for an unknown length of time. Consequently, hould the coming crop again not be a comparative failure, Canada ill be compelled to sell next season virtually all the surplus she aises above home consumption. She will then have to meet world's rices and will have lost her power to dictate what foreign consumers hould pay. Her position will gradually become weaker from day to ay, as the new crop period approaches.

The weather map here was somewhat mixed- light rains have ccurred the past twenty-four hours over eastern Kansas, Missouri, owa and Illinois, but there was no precipitation in the western dry elt. Altogether there was not sufficient moisture to satisfy the ears, and yet too much to start another bull movement. Therefore, he opening did not register any great variance with closing prices of esterday, and the trade was in very much more moderate volume.

Primary receipts continue to be light, and while millers are omplaining a great deal about somewhat smaller flour sales, consumpion seems to be keeping up at a fair rate, and shipments are heavy, eing 616,000 bu. Receipts last year were larger at 402,000 bu, and hipments lighter at 295,000 bu.

During the session weather experts were inclined to the belief hat possibly more rains might occur overnight; and as the weather s the all-important factor at the present time, this had a restrainng influence on entering new engagements on the constructive side. t the close the market showed a decline of 1/4 to 1/2¢ per bushel.

Primary receipts of corn were considerably larger than they ave been of late, being 489,000 bu against 247,000 bu the previous ear. However, we believe that a large share of these receipts are duplications and come from other terminal markets. Inasmuch as May orn is almost 7 cents over July, elevator owners cannot afford to arry this corn to a period when cash prices will be based on the istant future, which is selling at a big discount. Minneapolis is ne of these points where there is still a fair quantity left in levators, and seems to be disposing of it very freely. Of course

(Over)

her stocks are decreasing in proportion as she ships this corn, so that despite the apparent increased movement, we believe the visibl supply will continue to decrease. The open interest in May was reduced only 414,000 bu yesterday and is still very large at 25 milli bu, with only nine business days before delivery day. For the last three months a great deal of discussion took place whether or not a sizable quantity of corn at bay ports will come to this market. Th actual amount stored in eastern Canada on April 15 was 5,187,000 bu and decreased only 44,000 bu for the week, showing that there is a very poor demand for this eastern corn. Nevertheless, it would be very expensive proposition to bring this corn to Chicago, from when it was originally shipped, and after having paid freight both ways, as well as storage and interest charges, it certainly would not be very profitable. We believe only the absolute necessity of the hed rs to fill their contracts would bring about this movement. But even should this occur, we believe it might all be wanted. Our records show that on an average Chicago receives about 30 million bu a year more than she ships, which would indicate a local consumption of th quantity a year, or close to 100,000 bu every business day.

The cheapness of Argentine corn is also pointed out right along, but shipments to the United States from February 1 to date, in about two and one-half months, have been only a little over a million bushels. Of course with the new crop coming on the market now quantities will be very much larger; but our guess would still be that the total importations at the end of the season will replace o y a small fraction of the shortage caused by the drought. At the clo all corn futures were higher compared with yesterday, despite the greater weakness in wheat.

Oats and rye were more or less neglected, showing slight declines.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX

CHICAGO April 20, 1935.

All foreign markets being closed, there were no cables to uide us today. The chief influence affecting values was the weaher during the last twenty-four hours, and it was a disappointment. here was practically no moisture with the exception of some in parts f Oklahoma and Texas; but even the very worst districts in those tates did not receive benefit of any precipitation. April, as a ule, is the month for showers and if they do not occur this month hances decrease for crop improvement. Of course weather is always uch an uncertain factor that the unexpected might happen; but acording to the law of probability, the most favorable period for oisture has been missed. The long-time prediction for the coming eek also does not hold forth much hope, although a few shower periods re predicted. However, we need plenty of rain and not just light howers.

Under these conditions we had a very firm opening and during he session the market was benefited further by a very strong stock arket. Off hand, we would also say that in the past very low nterest rates always had a tendency to stimulate investments of very kind, and to this extent both stocks and commodities ought to eceive more or less benefit from now on, everything else being qual.

There is no material change in the world situation. There eems to be no great over-abundance of wheat supplies anywhere exept in Canada. According to the last report from Sanford Evans, nder date of April 17th, there was still available in Canada for xport and carryover 248,606,000 bushels of wheat. Therefore it ecomes more and more apparent that the Canadian carryover on August st might not be far from 2 hundred million bushels. When Mr.McFarland irst started his policy of accumulating and holding wheat in large uantities, he figured that the carryover might possibly be reduced o about 100 million bu. There is this difference between governental agencies' actions and those of a private individual: When private individual finds that his calculations are wrong, his pocketook compels him to act accordingly and prompts him to take his loss; ut not so with governments. The latter go on just the same as though hey had been right, and usually they add another mistake to the preious one. Therefore, it is quite likely that nothing radical will e done and these burdensome supplies will probably be carried over nto another crop year, thus depressing world prices then because ooner or later disposition will have to be made of the big accumulated tocks. We all know what happened to cotton under a similar policy; nd the Canadian wheat situation is not any different, although the limax may not come until next year.

Primary receipts of wheat were quite fair for the two days, eing 583,000 bushels compared with 320,000 last year for one day; ut shipments continue to be heavy; and stocks at Kansas City,Duluth nd Minneapolis show a decrease so far this week of 438,000 bushels.

The trade is assuming now that we shall have to raise a very air spring wheat crop in order to produce as much next year as we conume; and should this be the case a pretty high price level, about ame as last year, should prevail.

Outside of importations up to the present time of 8,400,000 bu hich were turned into flour in bond, there were also reported ,786,000 bu of wheat on which duty was paid. As this was not taken nto consideration when calculations were made in regard to the carryver, same naturally will be that much more, and we now think it ought o be close to 160 million bushels on July 1st.

The tendency during the whole session was one of strength, and e do not think this will change materially until there are copious ains. The final figures were 1 5/8¢ per bushel higher than Thursday's osing price.

Primary receipts of corn were quite heavy at 974,000 bu versus 76,000 a year ago; but owing to the big premium for May corn there s a great deal of shifting from one market to another. We think nly the smaller part can be attributed to increased farmers' sales, though there is no question that with the advancing prices there ll be fair farmers' offerings from now on. Nevertheless May corn emains very tight, and the situation will not be relieved until hicago accumulates a much larger stock. The close showed an advance f 1 1/2 cents per bushel.

Rye and oats sympathized with the strength in wheat and closed igher.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 22, 1935.

With European markets still closed on account of the Easter liday, the trade here was left entirely to domestic news for new spiration. The weather naturally was the dominant factor, and this s rather unfavorable over the week-end. Our session opened with gher values. There was no precipitation anywhere to speak of in e United States, although there were moderate showers in the nadian Northwest. The one ray of sunshine is the probability of owers in the Northwest, and the possibility that the Southwest so might be favored, but the weather forecasters are not very hopel that the precipitation will be heavy; it probably will be only ry moderate.

Primary receipts were very heavy in most markets --total being 6,000 bushels compared with only 367,000 bushels last year. However, is movement is not likely to last for any length of time. We asme that it is not due to an increase of farmers' offerings, but untry elevators everywhere are compelled to ship their wheat to minal markets on account of the high cash premiums for the nearby ture, and the further fact that the more distant futures are also lling at discounts. It is quite natural that holders of wheat are t willing to pay storage, insurance and interest charges, besides ing exposed to the danger of losing part of the premium when the new op moves. However, so far all receipts have been well absorbed, and e visible supply showed a decrease of 2,163,000 bu, reducing it to million bu, or considerably less than half of what it was last ar. It requires very little imagination to predict that these deeases in stocks at terminal points will continue, and that we shall art the new crop with very small supplies at all reporting stations. icago still has a fair stock of wheat, about 4,500,000 bu, but this cludes some brought in here from Canada for feeding purposes; and erefore it is still very doubtful whether deliveries on May contracts ll be heavy. At the present time, this future is still selling at premium over July.

The open interest in wheat is declining almost continually, being w less than 80 million bu, thus showing conclusively that not all e wheat which is being liquidated for May is being replaced with her futures.

We do not think it is very often that every single point which ports stocks, shows a decrease, as they all did today, with the exption of Duluth, which only increased 2,000 bushels. World shipnts were larger this week, about 10,730,000 bu against 8,151,000 st year; and the increased shipments all came from the Southern misphere and sundry countries, as North America shipped 500,000 bu ss than in 1934.

It will be interesting to see how Liverpool will act tomorrow ter being closed for three days, but we hardly expect any sensaonal changes.

At the close the wheat market showed an advance of 1/4¢ per bu; d unless the weather map shows up more favorably tomorrow, we think rkets are likely to improve, at least temporarily, until we get enching rains.

Cash premiums in the southwestern markets have a tendency to deine, but the strongest market today was the biggest milling center: mely, Minneapolis, which leads to the conclusion that the flour busiss must be better than is generally reported.

Corn after early strength, during the session showed a declining ndency, influenced chiefly by the heavier receipts and declining preums. The same trend prevailed in outside markets.

Primary receipts of corn were 904,000 bu versus only 342,000 bu a ar ago, but up to date the absorption was equally good, stocks showg a decrease for the week of 1,388,000 bu, and they are reduced now less than 15 million bushels, or only a little more than one-quarter at they were in the parallel period of 1934. It is easy to imagine w small they will be before next July, and it will still be a long me before another crop can be harvested. Under these circumstances, think that any decline in this cereal will be only temporary. icago stocks have been reduced now to 2,857,000 bu; and we look for ry light deliveries, if any, early in May; later on probably shorts ll be compelled to bring corn here from outside markets. It this ould be done, the same operation cannot be repeated for the July ture, because by that time all other points also will have practically pleted their holdings.

Oats and rye closed a trifle higher in sympathy with the strength wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 23, 1935.

After four days of adjournment Liverpool market opened today, nd at the end of their session their prices had declined 1/8¢ per ushel from the previous close of last Thursday. There was nothing ery exciting about this, and it was no market factor.

All attention was again centered on the weather and it was dis- ppointing as far as the United States is concerned, precipitation aving been very light and only at scattered places. However, sub- tantial precipitation took place in Canada where it will do a great eal of good. The weather map, however, still looks favorable for he probability of moisture during the next twenty-four hours, al- hough it is very doubtful whether it will be in large quantities. f course possibilities always exist when atmospheric conditions once hange.

When the last Government report was issued the outlook for the oming crop showed such a close balance between a year's production nd consumption that any material change would affect the price level uite considerably. It is too early to make any guesses as to what he next Government estimates might be; but considering that the redicted yields for some of the states, such as Texas, Kansas and ebraska, were already so very low, in addition to anticipating further amage, it is doubtful whether the next report will give as much en- ouragement to the bulls as the last one did.

Much attention is also being paid to the large open interest in ay wheat which up to last night amounted to about 33 million bu, nd had declined only 1,181,000 bu yesterday. Today a week will be he last day when contracts can be evened up without running into he first delivery day of May. It is certainly to be assumed that uring the next six days there will be heavy liquidation of May wheat n part of holders. But on the other hand, as there is a short or a edger to offset same, it is difficult to tell who will be the first o take the initiative, as most of them will wish to finally have eir trades closed this month. From present appearances it is not ikely that heavy deliveries will take place. On the other hand, th the poor demand for red wheat, there also will be no great de- re to pay for large quantities as the merchandising prospects would e very poor.

Primary receipts today showed great contrast compared with yes- rday, being only 245,000 bushels. This compares with 305,000 bu i 1934. Shipments amounted to 310,000 bu and indicate that the out- ok continues to be for decreases in the visible supply. So far to date stocks at Kansas City, Duluth and Minneapolis show a net crease of 183,000 bushels.

Bradstreet again reports very light clearances for North America, ing only 2,365,000 bu compared with 2,817,000 last year. So far this crop North America has shipped 45 million bu less than in 34.

There was quite an exciting market in silver at London, which turally was reflected here. An advance of about 250 points took ace at Montreal and can only be construed as one of the many links the inflationary movements. All silver and gold stocks were im- diately affected, but otherwise little attention was attracted. reign exchanges were not particularly influenced. However, we con- der the advance in silver quite important because anything that af- cts monetary conditions is finally bound to assert its influence on mmodities.

Most of the local traders based their operations on the strong lief that tomorrow's weather map will be favorable. Should they be sappointed, the sharp decline which occurred today will not be rmanent. At the close the market showed a loss for the day of 1/8¢ per bushel.

(O V E R)

The corn market was influenced mostly by the decline of late of cash premiums over the nearby future, in consequence of which May corn suffered the most. Receipts were 526,000 bu compared with 369,000 bu last year. Shipments were reasonable at 366,000 bu, and do not anticipate that the movement will continue at the present rat. There is still an open interest in May contracts amounting to 23 million bu. The amount of corn in public elevators tonight is only 580,000 bu, of which 118,000 bu is white corn, which is still comman-ing a big premium, so the total amount available for delivery is onl 460,000 bu. It is quite plain that more corn will have to be brough here from outside markets to satisfy the longs.

When towards the end of the session various reports were received about rains in a few spots in the Southwest, a sharp decline in whea affected corn sympathetically, and the close was very weak.

Oats and rye could not withstand the weakness in the other ceal and at the close showed a good decline for the day. There were repo s here that one cargo of rye was loaded from Duluth to come to Chicago and more are likely to follow. We think the difference between May and July rye will consequently widen, and that there might be heavy e-liveries.

UHLMANN GRAIN CO.

WEDNESDAY, APRIL 24th

BOARD OF TRADE CLOSED

ACCOUNT ROSENBAUM FAILURE

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
V YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO April 25, 1935.

The economic value of the Chicago Board of Trade as a great nstitution has been demonstrated again. When it became known on uesday after the close of the session, that one of the largest grain ouses in this country would be forced to liquidate their grain en- agements, steps were immediately taken to protect the customers, ankers, all members of the Board of Trade, etc. This necessitated he closing of the exchange on Wednesday. When the session opened oday, everything had been so perfectly arranged that there was no onfusion or chaos, Despite the fact that the grain owned by this oncern was scattered all over the country, no undue losses through orced liquidation will be incurred. The banks which held the ollateral had an opportunity to protect themselves with hedges, so rderly liquidation of all the cereals which they own can take place nd prevent any losses through sacrifice sales.

The able and conscientious president of our exchange, as well s all the directors, who have worked day and night to accomplish this esult, deserve the gratitude of every member of the Board of Trade, s well as that of the entire country, because any chaos in the grain arkets would have been reflected nationally.

The effect on the market was trivial --in fact, it is doubtful hether it had any effect at all, because the slight decline which ook place can easily be accounted for through other bearish conditions hich were in evidence. During the last two days, cables had been xtremely weak, Liverpool futures declining about 2 cents a bushel, nd there were copious rains in many territories where they were anted; so this changed condition alone would have created a much ore bearish sentiment.

The rains covered a wider territory than recently. Oklahoma as very much favored, and a number of points received from 1 to 1/2 inches of moisture. The precipitation in Kansas was more widely cattered --that state being so large, and while the east and central art received in spots from 1 to 1 1/2 inches, the very dry district n the west was more or less neglected. Of course we assume the wheat n that territory is already gone, and will produce very little even nder most favorable conditions from now on.

We believe that the crop outlook now is better than when the gricultural Department made its estimate early this month, and for he time being we cannot figure on many crop scares until later on hen the spring wheat crop goes through its many vicissitudes as sual. This naturally will prevent sharp upturns unless they should ome from the cash situation, but little attention has been paid to hese factors of late.

Primary receipts continue to be light --only 275,000 bushels ompared with 269,000 last year. Stocks at Kansas City, Duluth and inneapolis show a decrease of 337,000 bushels, so far this week. he Millers' National Federation bulletin of April 22nd contains he following: "The attached quarterly summary of wheat and flour tocks discloses an unusually low total of unfilled orders and cash heat stocks in the hands of millers. All unfilled contracts on and could be ground out in 25 days, and 35 days would serve to rind up all the wheat owned and held by the industry". This makes t quite evident that there will be comparatively little pressure rom old wheat, hedges will have to be reduced right along, and this ondition will continue until the movement of the harvest will change he picture.

At the close the wheat market showed a decline of 5/8¢ per ushel.

(OVER)

Primary receipts of corn continue to be larger than they were the same time last year, but the corn all seems to be wanted; and we believe there will be steady decreases in stocks at terminal markets. although much smaller from now on. Owing to the continued liquidati process of cash corn occasioned by the troubles of the large concern already referred to, we believe deliveries on May contracts will be heavier than anticipated some time ago; and this may have a temporar effect on the other futures. However, we have not changed our opini that the yellow cereal will remain a very scarce article until anoth crop comes on the market.

At the close all corn futures with the exception of May were higher.

Oats followed more or less the fluctuations of the other cerea but rye was weak in anticipation of further shipments from outside markets for delivery.

There was another sharp advance in silver prices abroad today, amounting to about 5 3/8¢ per ounce, and the domestic price is now 77¢, almost equal to the price which is being paid for United States mined silver. If the present policy is pursued, it appears as thoug finally silver might advance to $1.29, which is the goal looked for by the silverites. In this case the United States Treasury would ha another big silver profit, which could be used the same as the gold profit already realized. All this naturally is inflationary, and while this disease is working very slowly, its effects are sure to come, all of which should not be overlooked in guessing at the value of commodities.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO April 26, 1935.

Very strong wheat cables greeted us this morning; Liverpool futures advanced about 1 3/4¢ per bu; and there were further sharp advances in the price of silver in all markets in which this commodity is dealt. This naturally is a reminder of possible further nflation in one way or another, and is a stimulant to sentiment in commodities. Also there were more uncertainties connected with the selling and deliveries of grain of the Rosenbaum Grain Corporation elevators on account of a new injunction --the effects of which cannot yet be clearly ascertained.

During the session the wheat market received added impetus hrough the great strength at Minneapolis, where it was claimed there as buying in large quantities with very few sellers. Inasmuch as stocks there are very small, any appreciable buying would affect prices very materially.

The weather was not very encouraging, as there were no additional rains reported in the Southwest; it seems that the very orst districts in the West had been entirely ignored when this last precipitation visited almost the balance of the country. However, we still believe that sufficient moisture has fallen, taking the United tates as a whole, so that the next Government report will be rather more favorable than the last one. In this connection, it will become very important what the size of our carryover will be on July 1st, the beginning of the new season.

After the close of the session yesterday the Agricultural Department came out with its estimates of the amount of wheat held n country mills and elevators, amounting to 69 million bu compared with 87 million last year, as of date of April 1st.

We now have the Government figures on the following three tems:

Farms	94	million	bu.	versus	116	million	in	1934
Visible Supply	48	"	"	"	91	"	"	"
Country Mill & Elevators	69	"	"	"	87	"	"	"
Total Holdings	211	"	"	"	294	"	"	"

a difference of 83 million bu less. The big mills last year arried at that time 100 million bu., and we think their stocks are ery much reduced this year; they might be between 50 and 60 million u. If we assume that there were 55 million bu there would be an dditional shrinkage of 45 million, or a total of 132 million bu less an the same period in 1934. Deducting this from the carryover last ear, which on July 1st was 290 million bu, we would have on the rallel date this year about 158 million bu, which is very close to e figure on which we have based our calculations right along.

Primary receipts of wheat were only moderate today, being 6,000 bu compared with 223,000 last year, and shipments were 611,000 , bringing about further decreases in stocks at terminal points, far this week for Kansas City, Duluth and Minneapolis the amount ing 472,000 bushels.

The great strength at Minneapolis persisted to the close, eir final gain for the nearby future being 4¢ per bushel; and was e chief influence in bringing about recovery here quickly whenever ere was a declining tendency. Our closing figures were 2 1/4¢ per shel higher than yesterday.

Corn receipts were heavier at 518,000 bu versus 304,000 a ar ago, but it is assumed that the greater movement will be only for short duration, and that all the corn which is being sold now will quickly absorbed by consumers. At the close the corn market showed advance of 1¢ per bushel.

Sterling exchange was considerably weaker, and French currency ronger, showing that for the time being the scare in the gold counties is over, and capital which had been in flight to England might me back. However, the losses in gold in all gold countries, such as itzerland, Holland and France have been quite heavy. There is no rtainty that any questions have been solved and that there will not a recurrence of the movement to such centers which have already valued.

Oats and rye profited only moderately in sympathy with the her cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

April 27, 1935.

Liverpool cables were very indifferent today, showing hardly ny changes, and paid no attention to our late advance of yesterday fter the close of their session.

The weather overnight was favorable, except there was no urther precipitation in the Southwest. However, there was plenty f moisture in the soft wheat territory, and the crops east of the issouri river are getting along very nicely. We are inclined to elieve, although many times there are great surprises, that the ext Government report will show larger prospective yields than the ast one. In the meantime the Northwest soil conditions are better han average, and with an increased acreage, a large spring wheat rop is at least a possibility. Inasmuch as we are way above an xport basis, only final yields equal to a year's consumption would ustify a domestic price level. Should there be a considerable xcess, it would require either exportations through subsidies or decline would be likely, unless foreign markets should come up to urs.

The weather prediction for next week is not at all favorable, s very little precipitation is expected, with temperatures rather ool.

Primary receipts were light today, 289,000 bu compared with 42,000 last year, and shipments were rather heavy, at 552,000 bu. tocks at Kansas City, Duluth and Minneapolis show a net decrease of 45,000 bu. We doubt very much whether the visible supply will derease anywhere near as much as it did in the parallel week of 1934, hen it amounted to 2,054,000 bu. Primary receipts for the whole eek were actually larger than a year ago, being almost 2 million u versus 1,645,000 the previous year. This, however, will probably rove an exceptional week, as a great deal of shifting has been going n on account of the near approach of May delivery day.

At the close the wheat market showed a decline of 7/8¢ per ushel ,

Trade in corn was very much lighter today, and the price evel was largely influenced by the action of wheat, the close being /4¢ per bushel lower. Primary receipts were 466,000 bu against 78,000 last year. The visible supply will probably decrease only ery little, while a year ago there was a decrease of 2,732,000 bu. e still believe that deliveries on May contracts will be very light arly in the month.

Rye had a very sharp break owing to the arrival of a cargo, hich is expected to be delivered on May contracts, with many more argoes to follow if present plans are carried out.

Oats were weak in sympathy with the other cereals.

There was a halt today in the advance of silver prices in the arious exchanges; in fact, spot silver was considerably lower. Inasuch as anticipations and fears of inflation play a very important art in sentiment at the present time, this commodity is being watched ith a great deal of interest. Many ups and downs are bound to occur; ven when the German mark went all to pieces, at times there were reat reactions upward, so we may expect similar movements, even if he goal of the silverites of $1.29 per ounce should be reached.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

April 29, 1935.

eat cables were considerably lower today, futures at Liverpool de-ining about one cent per bushel. This was all the more surprising world shipments were only 8,274,000 bu, much the same as they were st year, but much below what are supposed to be weekly requirements the importing nations.

North America again made a very poor showing, clearing only 671,000 bu compared with 3,769,000 last year, and the continuation these light exports from Canada must be very distressing tothe rge holders in that country.

Broomhall also gives the record of the tremendous importations cereals into the United States during the first four months of is year as follows:

621,000	bu milling wheat
885,000	" feed wheat
6,487,000	" corn
8,046,000	" oats
2,332,000	" rye
613,000	" barley

In addition to this Washington reports imports of butter for e first three months of 1935, 8,530,000#, compared with 127,501# for e first three months of last year.

Sentiment, under the circumstances, was rather bearish before r session opened, particularly also as there were very good rains the soft winter wheat belt, as well as in our Northwest, and some eastern Kansas. The far Southwest was again neglected. Some thorities believe that the crop prospects in the Northwest for the esent are the best in five years. However, as an offset, weather edictions are not favorable for tomorrow; cool temperatures and y conditions are in sight. Furthermore, one of the predicting encies, which seems to have many followers, came out with the guess at the markets would be higher and that cereals should be bought. is changed the tone of the market and when Minneapolis futures again owed extreme strength, ours advanced in sympathy with it and at the ose showed a gain compared with Saturday of 3/4¢ per bushel.

The visible supply showed a larger decrease than anticipated -- 111,000 bu --a trifle more than last year, and the total has now en reduced to below 40 million bu compared with 84,550,000 bu last ar. It is quite evident, under the circumstances, that there can no pressure on wheat to speak of until the new crop commences to ve, and while this condition lasts it requires only the smallest couragement and buying to boost prices. This may all change very terially when once hedges on the new crop movement have to be absorbed, but this is still 6 to 8 weeks away, and much can happen in the meantime.

The open interest continues to decrease, showing that speculation at a very low ebb, and at the present time contracts in all futures e less than 75 million bu. The open interest in May wheat on Saturday was still 26 million bu., and therefore much liquidation will ve to take place between now and the first of the month. Lots of it doubtedly took place today, as evidenced by the narrowing between y and July wheat. The premium which had existed for a long time s now been entirely wiped out, and the two futures are selling at actically the same price.

Great uncertainties will continue to prevail until the next vernment reports will come out. In the meantime in a few days the ivate experts will make their estimates, and we would be very much rprised if the new figures given will not show larger prospective elds than the last official report.

(O V ER)

Corn held comparatively strong, the May future being the weakest on account of a report that two cargoes (about 350,000 bu) of corn will be reshipped from Georgian Bay ports and will probably be delivered on May contracts. However, we think that the corn can easily be absorbed and will not necessarily mean declining prices.

Primary receipts were 670,000 bu compared with only 371,000 bu the year before, but we think this heavy movement will stop as soon as the May contracts are filled; and in the meantime stocks at termina markets continue to decrease. The reduction in stocks this week amoun ed to 848,000 bu. This leaves only a little less than 14 million bu at all terminal points compared with over 54 million bu last year. We believe that as the season marches along these stocks will continue to decrease and as it is still five to six months before a new crop ca be harvested, we think that July corn and September corn might be in as strong or stronger position as May corn is at the present time.

Oats and rye were both weak and lower, heavy liquidation having taken place in these cereals.

There was a sharp decline in silver prices at London today, but it had no material effect on commodity prices. It is assumed that even the present price brings very large returns to mine owners, and nobody expects that the government would change its policy and reduce the price which it pays for home-mined silver, and that in due course of time prices will be advanced again in accordance with the policy as we all think is contemplated.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

April 30, 1935.

Wheat cables were weak and lower again today. The fact that
e tendency of late at Liverpool has changed so completely, sug-
sts that a permanent reversal in sentiment might have taken place.
ne as here, the new crop outlook abroad at this time of the year
ays a very important part. Inasmuch as there are only very few
nplaints from any of the importing countries, we must assume that
op prospects are at least normal, or better. It appears to us to
advisable to keep an eye on Russia and the Balkan states the coming
ason. It is always dangerous for any speculator to base his cal-
lations exclusively upon what happened last year, or two or three
ars ago, because sometimes very great changes might suddenly occur
ewhere in the world which should not be overlooked. We are not
aiming to have any advance knowledge, but we cannot forget that the
lkan states had a very poor crop last year, and with fair prospects
is season, they will probably enter the export column again. Russia
l two poor crops in succession. It is now claimed that there was
large increase in the Fall ploughed area available for spring sow-
gs. In the Spring of 1933 the area ploughed was estimated to be
proximately 60 million acres; in 1934, 75 million acres; and in
35, 104 million acres. The number of tractors have also been in-
eased. It is quite apparent that only a certain percentage of this
ditional acreage will go into spring wheat, and the bulk of it may
planted to rye, barley, oats, etc. However, with favorable weather
nditions there is at least a possibility, if not a probability,
t Russia might compete moderately with the other wheat exporting
gions. This would be all the more depressing on values, because
see no change in the continuation of the nationalistic feeling
most of the importing nations in trying to remain self-sustaining
much as possible.

In spite of the poor crops this year, the total importations
m July 1st up to date, or for ten months, were only 435 million
hels, about 5 million bushels less than a year ago, and much be-
the average of previous seasons. The country which would suffer
most should the exportable quantities have to be divided amongst
e nations, would be Canada, as she is raising the largest amount
export, in addition to carrying over a tremendous surplus.

Our price level here is still based strictly on domestic con-
ions, and depending upon the size of our crops we may be able to
ntain a higher level than the balance of the world. However,
uld the spring wheat crop turn out as favorably as now appears, it
likely that our final production will exceed somewhat the home con-
ption. We shall have a clearer picture after the private experts,
well as the Government, give us their latest estimate on the winter
at crop; but in our own mind we believe it should easily be 450 to
million bushels, and with a largely increased spring wheat acreage
re might be raised another 200 to 250 million bushels. This, with
arryover of 160 million bushels or more, would not only prevent any
rcity, but at times would put a greater burden on the market than
ld be absorbed at the present level of prices.

For the next two months, however, we shall still be under the
luence of old crop conditions. Receipts are bound to be light;
ay primaries were 230,000 bushels compared with 182,000 last year,
there was a net decrease in stocks at Kansas City, Duluth and
neapolis so far this week of 123,000 bu. Tomorrow will be delivery
, and the trade is more or less in the dark as to how heavy de-
ieries will be. Inasmuch as the amount of wheat in public elevators
only 1,303,000 bushels of Red wheat, of which about 330,000 bu. are
special bins, we know the maximum quantity that might be delivered
contract --about 975,000 bu. However, we doubt whether more than
-third or one-half of it will actually be used for filling con-
rcts. In the meantime speculators are not inclined to take many
nces of paying for wheat, and liquidation in the May future was
te heavy today, the final figures showing the nearby future at
/¢ discount under the deferred one of July.

(OVER)

Corn receipts continue to be comparatively heavy, primaries today were 525,000 bu versus 334,000 bu a year ago. This, we think, is at the expense of accumulated stocks at other centers, and later on t movement will be correspondingly light. Considering the weakness in wheat, this cereal showed great resistance to breaks, The total stoc of corn in Chicago public elevators are only 593,000 bu, of which 119,000 bu is white corn, bringing a big premium-- therefore, there i very little available for contract at the present time. We would not be surprised to see extremely light deliveries of corn tomorrow, if a

Oats and rye showed no material fluctuation. This is all the more surprising as far as rye is concerned, because everybody expects heavy deliveries, not only tomorrow, but it is very likely that large quantities of rye will be shipped here from other markets during the month of May for delivery on contracts.

There was no particular news as far as silver is concerned. Foreign exchanges also showed no great variation compared with quotations of the previous day.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO May 1st, 1935.

Foreign markets after showing great weakness for several days ecovered considerably, and Liverpool futures closed about 1¢ per ushel higher than the day before. However, not much attention was aid to this, as the trade is more interested now in watching domesic conditions in forming its conclusions as to the probable value f wheat prices. Traders were very much impressed with the comaratively heavy deliveries of wheat on May contracts, which amounted o 981,000 bu. While this quantity is not very large, it constituted ractically every bushel which was in a position to be delivered in ublic elevators; the balance of the wheat stocks either being in rivate elevators or in special bins. It clearly shows that the illing demand for this kind of wheat (#2 red) is very poor, and that o premium can be obtained by offering it to millers.

The weather was also construed as rather favorable, inasmuch s there was a good deal of moisture in the Northwest, in the East nd at many other places except in the far Southwest, with the outook for more to come. As soil conditions in the spring wheat erritory are very favorable, and so much more so than during the last ive years, the possibility still exists that the spring wheat crop ight be way above the average this season, on an increased acreage. he further progress in the Northwest is being closely watched, and t is more than likely that final prices will depend very largely upon he outcome of same.

Another very bearish item was a report issued by the Bureau f the Census, of stocks of wheat held in commercial mills, which re about 87 million bushels on April 1st compared with 115 million ushels same date last year. If we add to this their former stimates for farm reserves of 94 million bushels, interior mills and levators 69 million and visible supply of 52 million bushels we arive at total stocks on April 1st of 302 million bushels, compared ith 415 million a year ago. This would mean a decrease in supplies p to that time of only 113 million bushels. Furthermore taking nto consideration that from April 1st to July 1st the chances are hat the home consumption will be about the same, but that last year uite a quantity of wheat was exported under subsidies from the acific coast, which will not happen this year, at the end of the eason our stocks might be only 100 to 105 million bushels less than he previous year. Consequently, we might have a carryover of about 35 million bushels.

If we add to this the estimate of the private experts which ame out today, claiming a probable winter wheat yield of 450 milon bushels, with a prospective yield in the Northwest of 225 milon bushels more or less, according to weather conditions, we would t be on a strictly domestic basis. In that case, one of two things uld have to happen. Either our prices would decline nearer to e world's level in order to permit exportations from various points; otherwise, the Government would have to pay subsidies for the exrtations; and in this way keep up an artificial level.

Inasmuch as Argentine futures are still selling at about 62¢ r bushel, and Canadian wheat at about 10¢ below ours, although the ality of their wheat very often brings big premiums, it is quite ident that our present level of prices is not on a very safe foundaon. It is quite true that for another two months our stocks will ntinue to decrease, and that the pressure which is ahead of us will t come until the new crop moves, around July. Nevertheless, such ents are very often anticipated.

We, therefore, feel that we cannot at the present time remmend the purchase of long wheat, and think the short side is more kely to win out unless weather should be bad, which would reduce e present outlook.

(O V E R)

Primary receipts of wheat continue to be light, today being 279,000 bu against 267,000 a year ago. Stocks at terminal points are decreasing, total decrease today at Kansas City and Duluth being 338,000 bu.

Deliveries of corn today were very light-- only 15,000 bu, whic however, was no great surprise, as total stocks available in Chicago are extremely small; but two cargoes arrived today-- about 328,000 bu. which had been stored at Canadian ports, and as soon as unloaded, sam will undoubtedly be delivered, it being assumed that they were brough here for that purpose. This quantity naturally swelled our primary r ceipts, and today amounted to 549,000 bu versus only 125,000 last yea After deducting this extraordinary movement, the normal receipts woul be quite light.

However, we are a little on the fence now in following any further advances in corn price. We feel that soil conditions in the cor belt are also very favorable, and after planting is over there might be a good movement, while the demand at the present time is only fair and not particularly good.

There were only 15,000 bu of oats delivered, and not much was e pected; but the small deliveries of rye were a great surprise, and in consequence the May future was particularly strong and showed quite a advance in spite of the decline in wheat.

Silver declined 200 points at Montreal, but inasmuch as it did not affect the price for domestic silver, it had no influence either on silver stocks or on general sentiment.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

May 2, 1935

Cables were about 3/4¢ a bushel lower, following our decline of
sterday.

Weather was extremely favorable except in the dry districts,
ere, however, the chances for even a moderate crop have disappeared
ng ago, and about 12 million acres must be given up, as far as pro-
cing anything worth while mentioning. However, the situation has
sofar changed that it is now possible for the balance of the coun-
y to raise wheat crops way above the average, and in some places
ey might even have bumper yields. The outlook in the better dis-
icts is so entirely different from last year that no comparisons can
made, rainfall having been very plentiful; and only normal weather
om now on is needed to bring about the best results. This also re-
rs to the spring wheat territory, although as far as that crop is
ncerned, it must not be forgotten that while the start is a very
od one, much might happen later on, should extremely hot weather
other adverse conditions affect the result later on.

For the present, prospects generally must have greatly improved,
d it is likely that we shall not only raise sufficient quantities
r our home requirements, but some may be left over for export on
is season's raisings. This will become important as a market factor,
Europe has been more self-sustaining during the last few years
an she was in previous ones.

Broomhall revised his estimate on importers' requirements. His
iginal figure last August was 576 million bu, he revised it on
bruary 6, 1935 to 552 million bu, and now to 544 million bu.
raised the figures which will be supplied from Argentina 16 mil-
on bu; from Australia 16 million bu; and from France and other
untries 24 million bu. But he reduces the requirements from Canada
million bu. All this goes to show that despite the preferential
riff for Canadian wheat to England, that country could not do her
are of the business, as prices were kept above an export level dur-
g the last twelve months. If these figures finally prove to be
rrect, Canada's reduction in stocks will be comparatively unimpor-
nt, regardless of the poor crops last season.

The weather was considered as being rather favorable, much mois-
re having fallen during the last twenty-four hours in many districts.
is caused a more bearish feeling and lower prices.

When it is further considered that the buying power for wheat
still not very strong, the open interest having declined again to
w low points- less than 73 million bu - it will not be easy to ab-
rb hedges, except at declines when the new crop of wheat once starts
move; and such events are usually anticipated. This inclines us
believe that at the present time there is nothing in sight to put
eat values up; and we rather favor selling long holdings, and await
tter opportunities to reinstate. In fact, it is more likely that
e short side will be the winning one.

Primary receipts continue to be light, 292,000 bu compared with
7,000 bu last year. Shipments were also light, 162,000 bu versus
4,000 in 1934. Stocks at Kansas City, Duluth and Minneapolis show
decrease so far this week of 505,000 bu.

At the close the wheat market showed a loss of 1¢ a bushel.

(OVER)

Strange as it may seem, a minor cereal such as rye was very instrumental in preventing sharper declines than took place in today's market. It seems that on account of the good quality of the rye which is stored in Chicago, elevator concerns made very small deliveries, causing shorts to become frightened; and the strong demand for the May future helped the whole market; the price of rye showed a considerable advance over yesterday's final figures.

Primary receipts of corn are moderate just now, being 263,000 bushels today compared with 230,000 a year ago; and they seem to be sufficient for the requirements. From now on more attention will be paid to the prospects for planting corn and to the development of its early growth. If conditions are favorable it is likely that farmers will sell every bushel they can spare as long as the high premiums prevail and with new crop futures probably selling at discounts. This view, together with the weakness in wheat, which we expect, makes us more careful on the buying side than we have been of late; and we think great caution is needed, as we do not look for any sustained upward movement.

At the close the corn market showed a decline of 1/2¢ per bu.

Oats declined, chiefly due to the favorable weather, and the outlook for the coming crop is much better than for the preceding two seasons.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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141 W. JACKSON BLVD.
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MEMBERS:
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May 3, 1935

Before our session opened this morning, cables came a trifle lower.

Weather was extremely favorable again, lots of moisture being reported in various spots, although the dry belt is still neglected. Our weather man believes that the outlook is now very favorable for beneficial rains in the dry district over night. It is difficult to tell whether much wheat is beyond redemption in that part of the country, but perhaps it might benefit a little where crops are not positively gone.

It now appears to us as if the next government report will only show smaller prospective yields in the state of Kansas, possibly 15 million bu, but that virtually every other state should have maintained its promise, and will probably show improvement. For final figures we would rather assume that the total will show much better than the last report, and also should show some improvement over the private estimates.

In the meantime everything is highly propitious in the Northwest and all that is needed from now on is normal weather, nothing extraordinary, but just seasonable, to bring about the best results. With this in view, and considering the larger carryover than recently estimated, we assume there will be plenty of wheat for all domestic requirements and probably some surplus for export.

Despite all this our market was very steady early, showing fractional advances at times, due chiefly to the sympathetic influence of the rising stock market. The fact that silver also was higher caused inflationary fears immediately, as the trade in general is inclined to believe that inflation will come sooner or later. However, as the time element is so very important in speculation, many forget that this disease is working but slowly, and there may be one or two more crops harvested before wheat actually will receive the benefit of it in advancing prices.

For the first time in a long while the open interest increased yesterday about 1 million bushels, and it is now close to 74 million bushels; and nothing would be more constructive than greater speculation. Today, however, trade was again very light, and very minor transactions affected prices unduly.

Primary receipts continue to be very light, amounting to only 170,000 bushels compared with 252,000 bushels last year; and stocks are decreasing somewhat slower than they did the previous season. So far this week Kansas City, Duluth and Minneapolis show a decrease of 660,000 bushels, and we doubt very much whether the decrease in the Visible Supply will be as large as it was in the parallel week of 1934 when it amounted to 2,416,000 bushels.

Afternoon deliveries of wheat were exceptionally heavy at 692,000 bushels, reflecting the poor demand for No. 2 red wheat, which is the variety bringing no premiums and which does not seem to be wanted at the present time.

There were also very heavy deliveries of rye, amounting to 860,000 bushels, which brought about a sharp decline from the top prices for that cereal, and the whole market was sympathetically affected with the result that wheat had a good break, but recovered and at the close was practically unchanged.

(OVER)

As far as the world situation is concerned, there is nothing encouraging to report at the present time. According to Sanford Evans, on April 27th there was available in Canada, for export and carryover, 242 million bushels of wheat. It is therefore apparent that during the next twelve or thirteen weeks no sufficient reduction can take place to materially relieve that situation. For the good of everybody, it is to be hoped that the Canadian crop will not turn out as well as it appears at the present time. Moisture has been satisfactory in Canada; and should she raise 400 million bushels or more, which amount is possible on the present acreage, the task of handling the quantity there would be something tremendous. Those who are in charge of handling the wheat problem for the Government would be compelled to offer wheat continuously and press it on the market, otherwise there would not be enough available storage to take care of it. Were it not for that, one could look more hopefully toward the future, as both Argentina and Australia are getting rid of their wheat in a business-like way. Argentina is supposed to have reduced her supplies to about 94 million bushels, and Australia to 58 million bushels. With their next crops eight months away, they can easily dispose of their available supplies.

Corn showed more or less weakness during all the session. Premiums on cash corn have practically disappeared. Receipts seem to be sufficient at the present time for actual needs, and at primary points they are larger than last year, amounting to 407,000 bushels versus 237,000 bushels last season. There were heavy deliveries in corn today, evidently a result of the unloading of two cargoes that were brought here from Canadian ports. At the close the market was 1/4¢ lower.

Oats were practically unchanged.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO MAY 4, 1935.

Liverpool wheat cables showed very small fluctuations, futures in that market ranging from unchanged to about 3/8¢ per bushel higher, and constituted no factor in our market. There were fair amounts of moisture again overnight in the United States, some of it this time extending to the dry districts in the Panhandle of Texas. However, we fear the crops there have deteriorated so much already that little improvement from now on is anticipated. There has been enough precipitation of late in the good part of the wheat belt to allay apprehension for sometime to come, with the exception possibly of some parts in Eastern or central Kansas, where crops are in good shape at the present time, but where more or less moisture is needed right along; otherwise, there will be further setbacks.

As we approach the close of the season, it is becoming apparent that the tail-end of a short crop, as usual, is bigger than anticipated, and premiums on soft wheat here have practically disappeared. Even at Kansas City, where premiums on hard wheat were very high all during the crop movement, there were deliveries today of 100,000 bushels on May contracts, showing that the demand must be less urgent than it had been.

This week's primary movement was about equal to last year's, being 1,574,000 bushels versus 1,508,000 in 1934, but shipments were lighter, at 1,583,000 bushels compared with 2,049,000 similar week last year. We hardly expect as big a decrease in stocks as there was a year ago, and supplies so far this week decreased only 723,000 bushels at Kansas City, Duluth and Minneapolis. With few new speculative commitments, the market dragged during the session, and the close was about 1-cent per bushel lower than yesterday.

There was also no further encouragement from inflation fears, and silver prices were practically unchanged.

Corn went through similar experiences as wheat. Prospects are that the planting of the new crop will take place under normal conditions, and with heavy importations from Argentina and a good oats crop coming on the market in about two months, there is no great scarcity in sight for the present. Primary receipts of corn were 281,000 bushels against 270,000 a year ago. At the close the corn market showed a decline on an average of about 1-cent per bushel.

Oats and rye were both lower in sympathy with the other cereals.

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DAILY MARKET LETTER

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May 6, 1935.

The Liverpool, as well as the Canadian markets, were closed day on account of the celebration of the King's Jubilee, and there- re the fluctuations in our markets were entirely influenced by mestic news. Wheat opened weaker, affected chiefly by more favor- le weather conditions over the wheat belt. There were fair rains the Texas Panhandle, and over portions of Oklahoma, Missouri, linois, Indiana and Ohio. Temperatures continue cool for the sea- n in all states, which is also quite good. It soon developed, wever, that there was very little pressure. Regardless of what eat values might be when the new crop starts to move, this con- tion is likely to prevail, and for the next four or six weeks it ght be difficult to establish and maintain a lower level than the e existing at the present time.

The visible supply decreases steadily, and stocks declined r the week 2,068,000 bushels compared with 2,416,000 last year; the tal in all reporting points is a little under 38 million bushels rsus over 82 million in 1934. It is quite apparent that while is tendency prevails, and hedges have to be removed right along, rchases can only be made from those who have accumulated previous- or from short sellers, who seem to be rather scarce at present. nsequently, we are confronted with a technical position in the rket, which should not be ignored. Everything probably will change July when the movement, particularly in the territory tributary Chicago, will take place, and when new buyers will have to be und daily for accumulations which will then occur, and which means at an absorption of hedges will be necessary for quite a while. that time we also anticipate inasmuch as the wheat which is being ised in the territory tributary to this market is most promising, at carrying charges will develop and that the difference between ly and September wheat will widen considerably.

Primary receipts of wheat today were just fair, 336,000 bu ainst 394,000 a year ago.

During the latter part of the session the Supreme Court of e United States gave a favorable decision to the railroads, and de- ded that the Pension Retirement Bill was invalid and unconstitution- . This, for a while improved the price of railroad stocks, and d a sympathetic effect on grain values, but the news did not eate such bullish enthusiasm in Wall Street as was expected, and so lost part of its effect on sentiment here.

World shipments to importing nations were again very light, ing 9,064,000 bushels for the week compared with about 9,222,000 st year. All exporting countries such as Argentina, Australia and ndry places shipped again more than in 1934, at the expense of rth America, where clearances were only 2,718,000 bushels versus 301,000 a year ago, showing that the artificial prices in Canada e still hindering that country from participating in a normal move- nt.

At the close the wheat market showed an advance of 1/4¢ per shel.

In corn, the May future was decidedly the leader. It seems at deliveries which have been made so far on May contracts were adily absorbed, and with new receipts getting smaller again, prices e easily influenced upward on any sizable buying orders. Primary ceipts were only 303,000 bushels versus 462,000 bushels in 1934; e visible supply decreased 288,000 bushels, being now only 13,585,000 shels whereas last year it amounted to 52,101,000 bushels, or ,516,000 bushels less. The great discount of September corn com- red with the May future makes it rather attractive, as there are prospects that in the meantime accumulations will be very heavy; fact, it is more likely that stocks will decrease further before e new crop plays an important part.

Corn futures on an average advanced over 1-cent per bushel.

Oats and rye were both higher in sympathy with the other reals.

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CHICAGO May 7, 1935.

The Liverpool market, which was closed yesterday on account of the
g's Jubilee, showed a reasonably firm undertone before our session
pned, but followed the decline at Winnipeg and in our market at their
lse. There was no encouragement from that source. At our opening
etiment was greatly influenced by the advice of a forecasting agency,
ch had advised the buying of all cereals yesterday, but had changed
ir opinions in the meantime, and suggested selling everything today.
y seem to have a fair amount of followers, and in the aggregate the
mitments each day were sufficient to give the market a certain trend.
urally had not other conditions been in their favor the final ef-
t might have been small. However, the weather was very favorable
in everywhere except in the far Southwest. This latter territory
considered so far gone as far as wheat yields for this season are
cerned that it might just as well be ignored. In the soft winter
at belt the outlook is such that bumper crops are not excluded
uld propitious weather continue until harvest. Also the spring
at territory has better surface moisture than in four or five years,
the fact of late seeding is not of sufficient importance to change
outlook of splendid prospects up to date.

With this in view the next Government crop report, even should the
vious estimate not be raised considerably, will be viewed with the
ught in mind that since April 1st, when the reports were gathered,
ther improvement has taken place. It is now possible that a total
ter and spring wheat crop combined will give us yields sufficient
all home requirements and perhaps a surplus which must be exported,
which would bring us more in line with values in the other import-
and exporting countries. However, this is still a couple of
ths away; and while one might feel very bearish as to prices when
crops actually move, consideration must be given to old crop con-
ions until wheat from the new harvest becomes available.

It is, therefore, quite impressive that the May future still keeps
ong, that the wheat which has been delivered on contracts so far
been reasonably well absorbed, and that redeliveries from day to
are only moderate. To show the stubbornness of both longs and short
wish to point out that the open interest in May wheat is still al-
t 10 million bushels --it was reduced only 500,000 bushels yesterday.

Premiums in the Southwest also keep quite strong, with a fair mill-
; demand, particularly for the protein wheat, as it is assumed that
s quality will be very scarce the coming season, most of it being
sed in the territory where the crops are the poorest this year.

Primary receipts continue to be rather small, being only 240,000
hels compared with 225,000 a year ago, and stocks at Kansas City,
uth and Minneapolis so far this week show a decrease of 163,000 bu,
inly indicating that the visible supply will continue to decrease.

The Winnipeg market which had been closed yesterday, also declined
ent per bu, in spite of the fact that every artificial means is being
d to maintain a higher price level than is justified by supply and
and. However, the fear is expressed that with the favorable weather
Canada, should a normal crop of wheat be raised the coming season
inevitable will occur, and Canadian prices will have to come down
the world's level.

At the close our wheat market was 1 1/2¢ per bu. lower than the
vious day.

Corn also showed much weakness in sympathy with wheat and rye.
ilar conditions exist in this cereal as in wheat --namely, soil
ditions for planting are most excellent, and the outlook for the
crop is such that it will likely be much larger than the preceding
on an increased acreage. However, one must bear in mind that it
l not be safe to figure on new corn receipts for five or six months,
ile consumption goes on steadily in the meantime. There are no
gns that stocks of old corn will be very plentiful at any period, and
carryover probably will be one of the smallest ever.

The open interest in May corn yesterday was still 11,296,000 bu,
wing that both longs and shorts are fighting hard for what they be-
eve will be the final outcome. The May future during most of the
ssion remained comparatively strong, selling at about the highest
emium over the July on this crop --7 1/2¢ over. This probably will
ke it necessary for some of the hedgers to bring in some more corn
om Canadian Bay ports to relieve the shortage. At the close the cor
rket showed a decline of 2-cents a bu. for the deferred futures, and
out 1-cent for the May.

There were reports that three cargoes of rye had been chartered
come to this country. This caused a good decline in rye. Oats also
re very weak in sympathy with the other cereals.

DAILY MARKET LETTER

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CHICAGO May 8, 1935.

Liverpool cables were much as expected before our session opened,
t at the close they showed a very weak undertone. There is no en-
uragement from that source at the present time.

According to a noted authority (Broomhall), beneficial rains have
llen in Russia where there has been a moisture deficiency and seed-
g is making excellent progress. Reports from the Balkan countries
ere they had poor yields last year, are also very encouraging.
herwise in the larger countries abroad conditions seem to be either
rmal or better than usual --no crop scares of any kind-- and there-
re millers are buying their supplies at their leisure, having no
ouble in obtaining all they need for their requirements.

We still feel that as long as Canada is trying to exact higher
ices than other countries, and more than their large supplies
stify, importers draw most of their requirements from others.

Clearances from North American ports for the last week, there-
re, were again extraordinarily light, only 1,740,000 bu compared
th 4,038,000 bu last year. Considering that this is the period
ortly after the opening of navigation, the quantity should be
ble that figure. The total North American shipments up to date
e only 126 million bu compared with 174 million bu parallel period
st year, with only 12 more weeks to go before Canada starts her
w crop year. It is not likely that Broomhall's estimate of ex-
rtations from that country of 200 million bu will be anywhere near
alized. It would require clearances of 6 million bu weekly, and
ere is nothing in sight to justify such a belief.

Looking further ahead, it must also be taken into consideration
at Canada is not likely to have a chance to export such large quan-
ties of wheat to the United States as she did this season. We im-
rted since July 1st, 20,697,000 bu, of which 9,118,000 bu were re-
ported, still leaving 11,579,000 bu for domestic consumption.

Little attention was paid today to the foreign news, traders being
ry much impressed, on the one hand, with the almost perfect weather;
d those bullishly inclined, with the fact that owing largely to re-
ced stocks and a fair milling demand, there is no immediate pressure.
ose who are discounting the future and who are looking for a large
vement in July from those states where the crops are very pro-
sing, may need patience until their anticipations of lower prices
e realized. The price level next July is one thing, but millers
o need wheat at the present time will have to pay current values.
e great strength at Kansas City was clear evidence of the tenacity
holders who are continually expecting higher prices for their cash
ldings when millers are in the market as buyers. Premiums in that
nter show a steadily advancing tendency.

Primary receipts continue to be very light --only 188,000 bu, com-
red with 251,000 bu last year, and stocks at Kansas City, Duluth
d Minneapolis so far this week show a decrease of 194,000 bu.

The great strength in Wall Street, with most stocks advancing con-
derably, and a number of them being higher now than at any time in
35, had a great sentimental bullish influence. Had it not been for
is encouragement, we think wheat prices at times would have been
wer influenced by spring-like weather, but at the close they showed
advance of 3/4¢ per bushel for the deferred futures compared with
sterday's final figures.

Inasmuch as the open interest is extremely small --only 72,500,000
, it is quite evident that any increase in speculation would have a
rresponding effect on values until possibly there could be an off-
t through additional hedging sales later on.

The corn market at times was weaker than the previous session, but
e strength in the surrounding markets soon changed the whole atmos-
ere. Also very large sales were reported from here, over 200,000
, and with the small stocks at this center any further depletion of
r stocks would reduce them to very low proportions. It also seems
though the movement is on the decline again,primary receipts being
0,000 bu versus 286,000 a year ago. There are only four primary
rkets in this country which have supplies in the visible of over
e million bushels; namely, Buffalo, Minneapolis, Omaha and Chicago;
d these points are being drawn upon right along, otherwise current
ceipts would not be sufficient to supply the daily demand. At the
ose corn showed an advance of 1/4¢ per bushel for the later de-
lveries.

Oats and rye were reasonably strong, with only very moderate trade.

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CHICAGO MERCHANTILE EX.

CHICAGO May 9, 1935.

Liverpool cables were very uninteresting today. Ostensibly re is a lack of speculation abroad, as far as wheat futures are cerned; import requirements are easily supplied, and there seems be no desire to accumulate larger stocks for reserves. It is quite dent that the European countries feel very much assured, as long their own crop prospects are at least average or better, that they l have no trouble buying sufficient quantities for their needs as e goes on. They always have an eye on the large Canadian stocks ll to be disposed of. The visible supply in Canada on May 3, de- te the short crop, was over 214 million bu versus almost 202 million in 1934, not figuring stocks in farmers' hands. They are also roughly posted on the favorable crop outlook in that country, as far moisture is concerned. There were excellent rains overnight in thern Saskatchewan and the farmers there are beginning to feel that longest and worst drought of the West is broken at least. It is e that seeding has been much delayed and the crop will get a late rt, but yet when the moisture conditions are weighed in the balance, outlook must be considered as greatly improved in comparison with t season.

As far as the United States is concerned, the weather map also encouraging overnight. Some good rains have fallen in both eastern central Kansas, and this is the territory which is now being ched. Nothing can change the almost total destruction of the wheat nt in the western part of that state, as well as the Panhandle of ahoma and Texas. However, the wheat still left standing in eastern central Kansas sometimes produces very heavy yields, and if this uld materialize in at least a portion of the territory, the present simistic estimates for Kansas might have to be raised. Just now hear very little good as to the probable result of the yields in t state, and we anticipate that tomorrow's government report will uce its estimate for Kansas very considerably. However, elsewhere figure on an improved crop outlook, and we still assume that the ted States has a promise of at least 450 million bu. of winter wheat, ch might be materially increased should favorable conditions con- ue from now on.

The old crop situation for the hard and spring wheat varieties tinues to be strengthening, and premiums for protein wheat are her now than they have been at anytime this year. We assume that continuation of the combination of same will finally compel millers use the soft winter wheat, which at present is neglected, as a stitute. These conflicting tendencies --on the one hand the outlook a reasonable plenty when the new crop moves and the scarcity at present time-- are about offseting each other; consequently, fluctua- ns are only very moderate and traders very uncertain as to what they uld do.

The picture will become clearer after the government figures out, and later on when we know more about the progress of the ing wheat crop and come nearer to the period when wheat actually es, and when the hedges will counterbalance, at least partially, decided buying movement.

In the meantime receipts are so light that there is no pressure all on the present movement, primaries being only 147,000 bu com- ed with 414,000 a year ago. Stocks continue to decrease, and so this week there is a reduction in Kansas City, Duluth and Minnea- s of 448,000 bushels.

The great strength in stocks in Wall Street is a sustaining tor, as well as fears that inflation will come sooner or later.

At the close the wheat market was 1/2¢ per bushel higher.

The corn situation remains fundamentally strong, and although corn is selling at about 12 1/2¢ over September, which certainly uld induce a free movement, yet receipts are hardly sufficient for daily demand, and stocks will still continue to decrease from k to week. Considering that this will be the tendency for the ance of the season, or until another crop comes on the market, we ll believe that September corn is attractive as an investment. mary receipts today were only 225,000 bu versus 187,000 bu in 1934; as shipments were 455,000 bu, we believe that this cereal will be- e very scarce before the end of the season. Speculation has dimin- d to a great extent, and fluctuations are very small at present. t the close the deferred futures showed an advance of 1/2¢ per bu. pared with the previous figures.

Trade in oats and rye was very limited, the tendency being her upward in sympathy with the other cereals.

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DAILY MARKET LETTER

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CHICAGO 5-10-35

Liverpool cables opened and closed higher than yesterday, The arby wheat future was neglected, but the deferred ones advanced put 1¢ per bushel. Broomhall explains this by stating that gentina and Australia have shipped so far a total of 53 million bu. non-Europe this season, compared to only 32 million bu last year.

Exportations from Argentina this week are again very heavy -- 600,000 bu of which 342,000 bu are intended for the United States.

Canada, although she has more wheat for sale than any other exrting country, does not share heavily in this great international vement. It appears from the policies which are being pursued that e head of the government agency which controls the wheat program Canada seems to be fully prepared to carry the burden of the large pplies over into the next crop. According to Sanford Evans, there s available on May 4, a total of 238 million bu. --equal to two ars' home consumption. Moisture conditions in Canada for the new op are extremely favorable; average precipitation from April 1st May 8th was:

	This year	Last year
In Manitoba	1.53 inches	0.80 inches
" Saskatchewan	1.87 "	0.64 "
" Alberta	1.86 "	0.62 "

It is true there is a possibility of a reduction in the acreage 700,000 acres, but even this is not quite sure as seeding is exemely late and with favorable weather farmers might change their nds and sow additional acres. In any case, the reduction is not fficient to make much fuss about, and a conservative estimate for e coming crop, based on present soil conditions, would be easily 0 million bu. This large quantity which will then be available for xt year, makes it almost impossible for world prices to rule high, suming that the present European crop prospects are being maintained, ce more Canada, through artificial interference with supply and mand values, is delaying the solution of the world's wheat problems. l conferences, whether held at Rome or London, will continue to ove of no value as long as the one disturber interferes with natural nditions and tries to force values upward, fighting consumers, and, erefore, possibly bringing about chaos, which past experience shows ways occurs when similar unsound expedients are resorted to.

The comparative strength in Canada while our markets are lower, another sign what a one-man-power can temporarily accomplish, t it is no indication of what punishment will come in the future.

Primary receipts were somewhat better today, 399,000 bu. comred with 376,000 a year ago; but stocks continue to decrease, and far this week Kansas City, Duluth and Minneapolis lost 538,000 bu, dicating another decrease in the visible supply on Monday.

Trade remains light, and open contracts of all futures of wheat clined to a new low point, being a little over 71 million bu. The ct that the Government report will come out this afternoon at about ree o'clock may have had something to do with the tendency to go ght on new commitments. There is no use in speculating on what the port will show, as the actual figures will be known to most of the aders before this resume reaches them. However whatever the figures e, they will not give the real condition as it appears to us now, ere having been great improvements with lots of moisture during the st ten days since the time the reports were collected. In fact, the ather has been almost perfect in a large part of the wheat belt.

The corn market also suffered from the great inactivity, and the ne weather prevailing for the planting of the new crop. Primary ceipts were 310,000 bu versus 277,000 in 1934.

While prices were somewhat lower today, we have not changed our inion. It will be only a very short time until the May future is t of the way, and then we expect that the shorts or hedgers in ly corn will immediately have to worry about their commitments. We not believe that the tightness which now exists in May corn will any different when July comes around, and probably after that in ptember there will be the same experiences. We cannot get away om the idea that corn will remain a very scarce article until the w crops come on the market.

At Kansas City today on the floor #2 yellow corn sold at about 1/2¢, showing that at least in the Southwest this commodity is ill bringing big premiums,.and offerings are not very abundant.

Oats and rye declined in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

May 11, 1935.

The trade has been anxiously awaiting the government report ich came out yesterday after the regular session of the Board of ade had been closed. The figures which were furnished were a disapointment as traders had expected that wheat estimates would be gher than those of a month ago (in April), while actually they were most 4 million bu less. Nobody had expected that the abandonment acreage would be as large as 31.2 per cent, which even in the ought year of 1934 was only 21.3 per cent, and is way above an erage; in fact it has been exceeded only once during the last enty years, and then only a trifle.

The standing acreage is only 30 1/2 million acres, and it is ite evident that no matter how favorable the weather is from now , the winter wheat crop will go down in history as another short e. However, the condition on May 1st on the standing acreage was .3 per cent, while last year at harvest time the final condition s only 57.2 per cent and the year before 57.8 per cent. Now while is true we have to contend with 2 1/2 million acres less than 1934, if the present condition is maintained to harvest, we might ise a very much larger crop and one bushel per acre would make a fference of 30 million bu, which is quite possible, and even that eld might be exceeded considerably.

The weather has been ideal overnight, prospects are for more neficial rains everywhere, and speculators were anticipating at ce the improvement, and therefore the government report, which herwise would have been construed bullish, fell flat.

There also was no attention paid to stronger cables, because reign markets had the information about the government report during eir whole session today, but they had not yet been aware of the turn of ideal weather here in the meantime.

Under the circumstances, and considering we shall have a carryer of 180 to 190 million bu, there is nothing bullish in the situaon and probably short sales are in order. It should, however, never forgotten that the spring wheat crop, which is very promising at e present time, is not yet made, and any scares from time to time, ould we have a couple of weeks of hot weather without precipitation, any temporary adverse conditions, would influence traders and instors more than usual. Nevertheless, with the soil conditions in e four northwestern states better than usual, the probability is r a spring wheat crop plenty large enough for all domestic requirents, and the chances are still favorable that all of the United ates will have more than enough to supply its own needs and possibly surplus.

The old crop situation continues to remain strong for the hard nter wheat varieties, but weak for the red wheat which is being devered on contracts and does not seem to be wanted. It passes from nd to hand without finding permanent lodging, and in consequence y wheat is going to a bigger discount under July, and July wheat is ing to a wider discount under September.

Primary receipts were very light, 308,000 bu compared with 4,000 last year. Stocks at Kansas City, Duluth and Minneapolis so r this week show a decrease of 567,000 bu, indicating a moderate crease in the visible supply on Monday. However, from now on old op conditions will be more or less ignored compared with the more portant factor of the new-crop outlook. Therefore the ideal weaer conditions which are predicted over Sunday, were the main inuence. The market at the close showed a decline of 7/8¢ per bu.

(OVER)

Corn prices suffered in sympathy with wheat. Primary receipt were just fair at 329,000 bu versus 260,000 in 1934. Soil conditio are also very favorable for planting of the new crop, but it will b such a long time before we can count on having new supplies that in the meantime much might happen. We believe that September corn at discount of 13¢ under May has a great deal of merit.

At the close the corn market showed a decline of 1 1/8¢ per b.

The prospective yield of rye of over 40 million bushels will take away all enthusiasm for this cereal, and we think it is doomed for lower levels.

Oats declined in sympathy with the other cereals.

Little attention at the present time is being paid to many Governmental measures which are of an inflationary character, because this disease is working but very slowly. Also there have not been great fluctuations in foreign exchange, but, nevertheless, certain tendencies are very indicative of what might happen in the more distant future. French exchange is weak and continually at a point which compels the Bank of France to part with some of its gold in order to prevent further declines in the French currency. Her supplies, however, at the present time are so large that there is no immediate fear, but during a month she has lost about 2 1/2 per cent of her holdings, and the movement towards this country sti continues. The psychology for the devaluation has not yet matured, but should it ever come it will again temporarily upset the world's trade and conditions.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

May 13, 1935

The recent rains were the best for perhaps six months or a ear in practically all the wheat belt and overshadows everyhing. There is no doubt that the acreage still standing will enefit to a very large extent, and new estimates on the probable heat yields for this season will have to be made. According o the last government report Nebraska, Kansas, Oklahoma and Texas ad only 13,374,000 acres left to be harvested. This amount is nly a trifle more than was sown in Kansas alone and indicates terrific abandonment. The yield is estimated as 10.2 bushels er acre compared with final 9.1 last year and is extremely mall, particularly if we anticipate the improvements which will ake place from the additional moisture received in the meantime. n acreage of 17,123,000 acres is shown as left standing for the emainder of the United States, with estimated yields of 17.2 ushels. This is way above and average, but conditions in many laces are almost perfect and, therefore, larger yields are no oubt in sight now. Considering the wonderful crop prospects in he Spring wheat territory, there is no wonder that feeling beame extremely bearish with sharp declines resulting, and at the lose of the market there was a reduction in values of 1 1/2¢ er bushel compared with Saturday's close.

There were recoveries from the extreme low points caused by he old crop conditions, but they did not hold. The Visible upply showed a decrease of 2,555,000 bushels and the total has ow been reduced to 35,172,000 bushels compared with 79,385,000 ushels, giving us 44 million bushels less than in 1934. Conidering that in all probability these decreases will continue ore or less for about seven weeks, it is quite evident that on uly 1st the amount of wheat at terminal points will be smaller han it has been for a number of years. At times this might create technical position favorable to recoveries regardless of merit hen the movement of the new crop starts in earnest.

To the same degree as stocks decline, hedges are being reoved and the total open trades have declined to about 70 million ushels. Of course one offsets the other as long as there is no pecial inducement to make any new commitments on the buying side. ut should anything occur in atmospheric conditions to change he brilliant crop prospects in the Spring wheat territory, our rice level would be influenced immediately thereby. On the conrary, should normal conditions prevail until crops are harvestd, it looks very much now as though we would have a reasonable urplus for export, and as we are still way out of line with oreign markets there would have to be an adjustment. In fact, slight readjustment has already taken place to the extent that ately the Liverpool market has not fully followed our declines, nd again today it was comparatively firm, considering the break ere on Saturday.

The Canadian market was closed today, but when it opens toorrow the changed condition in United States is bound to have sentimental or actual effect there. It seems that time passs on without Canada realizing her aim to reduce her stocks. he Canadian estimate of exportable wheat surplus on May 4th was till 238 million bushels compared to 243 million last year, or nly a very trifle less. In the meantime world shipments, while ery much larger, did not benefit Canada very much. The total f all countries was 12,137,000 bushels, which amount is more than million bushels larger than last year, but this increase, and ven more, came from Argentina and Australia. North America ctually cleared 1,400,000 bushels less than in 1934. The amount n passage increased over 2 million bushels, again making Europe easonably independent for a while.

(OVER)

Primary receipts of wheat were quite fair, although lighter than last year. The movement of 439,000 bushels today compares with 642,000 bushels in 1934.

The primary corn receipts were larger than last year, being 548,000 bushels compared with 378,000 bushels a year ago. It seems that the high price for the near-by future and the need of making purchases for this market to fulfill the May contracts are stimulating the movement. This, however, is done largely at the expense of stocks at other points. The visible supply showed another decrease of 1,392,000 bushels, bringing it down to the small total of 12,193,000 bushels or less than one-fourth of what it was last year. There is nothing in the situation to make us believe that a further reduction in stocks will not continue. The immediate effect was a decline in the near-by futures which had been selling at too much premium over the deferred options. However, September corn remained relatively firm and closed 1/4¢ per bushel higher.

Rye was extremely weak, everybody being impressed with the wonderful crop prospects.

Oats were also lower in sympathy with the decline of the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO May 14, 1935.

Liverpool wheat cables were a trifle lower today, but little attention is being paid to foreign news at the moment. We hardly hear any complaints from the larger producing countries. The Balkan states which had very short crops last year, will no doubt appear again as an exporter in the world's markets, and Russia, while an unknown quantity, reports increased acreages both for winter and spring wheat. For two years in succession the United States had been on a domestic basis, and until recently it seems as if, with our small carryover, we could again be independent of the balance of the world. There is a question now, however, whether this can be done. There were again wonderful rains all over the Southwest; and those who had been talking about a 60-million bushel yield for Kansas are already raising their estimates to 75 million bushels, and they might have to do even better than that should favorable weather continue. Rain last year was a scarce phenomenon during the growing period. This season during the last week or so we think there has been sufficient moisture so that there will be no further drought scares before harvest.

Sentiment has completely turned; it is extremely bearish at the moment, which necessarily of itself creates a situation where when all shorts want to cover at the same time it brings about moderate reactions. However, so far such advances did not hold.

Primary receipts of wheat continue to be small ---249,000 bu against 655,000 a year ago; and stocks at Kansas City, Duluth and Minneapolis decreased again so far this week 351,000 bu. As time goes on less attention will be paid to the old crop situation, depending upon the weather; and in five or six weeks we shall experience the first signs of the new crop movement, which, however, will not be heavy until later in July.

Speculative trade is still very limited, and at the close the wheat market showed a decline of 1/2¢ per bushel.

Corn has shown independent strength for the last two days, and deliveries so far on May contracts have been very light. Another cargo from the East was reshipped to Chicago, and premiums here are declining, which makes it more undesirable to take delivery of corn delivered in elevators. We, therefore, think that probably May corn is plenty high enough for the present, but we still have faith that the deferred futures, which are selling at such large discounts, might do better. The final figures in corn futures were higher than the previous session.

Primary receipts of corn were 539,000 bushels, but this amount included, as mentioned before, a reshipment, and does not constitute greater new deliveries by farmers.

Oats remain much neglected. Rye keeps strong for the current future, but with the fine crop prospects there is not much hope for advances in the deferred ones.

Silver was considerably higher in all markets where this commodity is traded in --London as well as Montreal. This keeps inflation fears as a market influence, but nobody expects any immediate consequences.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX

May 15, 1935

There has been no startling news overnight to justify any sharp ıctuations or change previously formed opinions from yesterday. It true more precipitation took place in the Southwest and the weather again ideal during the last twenty-four hours practically every- ere. But inasmuch as it had been recognized before that the drought been sufficiently broken, and on the assumption that the price de- ınes which had taken place of late had largely discounted this ınge in conditions, new pressure was not in evidence today. On the ıtrary, it seemed as if one or more of the big shorts thought it se to take profits and heavy covering that occurred at the start of session gave the market a firm undertone, with the result that at close an advance of 1/4 cent per bushel compared with yesterday established.

This strength, however, might be misleading as a future guide, may be only of a very temporary nature. Daily smaller fluctua- ns which may be caused by the whims of one or two more operators l not have the same effect when the new crop once moves, and when ges will be an offset against such trades. This will not take ce in commercial quantities until about six weeks from now. In interim the old crop situation will have at least a sentimental ect, but every day that passes and we come nearer to a new crop ement, the size of both winter and spring wheat yields will be the amount feature. It certainly appears at the present time as if ficient improvement in the plant must have taken place so we can ure positively on the next government report showing much larger lds, and at the same time giving a very promising outlook for the ing wheat territories.

Primary receipts of wheat continue to be very light, being only ,000 bu versus 645,000 bu last year. There is now a very fair and for the limited cash offerings, arrivals of red wheat today nging considerably better premiums than recently. This, however, for only small quantities and it is doubtful whether larger lots ld be disposed of at advanced premiums.

Stocks at Kansas City, Duluth and Minneapolis show another de- ase so far this week, amounting to 414,000 bushels. It is quite arent that the Visible Supply next week will show another fair cd decrease. Decreases in stocks are likely to continue until ınd early July, which time is the earliest that we may expect the osite condition of increased stocks at terminals against steady de- ases which have occurred almost since the beginning of the crop.

CORN: Much attention is still being paid to the large open in- est in the May option which last night amounted to over 9 million hels. With only fourteen business days before the month ends, it quite essential that both shorts and longs come together to even up ir contracts Yesterday the decrease in the open trades for May only 79,000 bushels, showing great stubbornness on both sides as one feels confident of his position. So far deliveries have very small and the higher prices which cash corn is bringing over deferred future also does not seem to attract any large quantities his cereal. The farther West one goes the higher are corn prices aratively, considering freight and everything else. Cash corn at Kansas City today at about 93 cents or much above our local e. All this leads us to believe that the deferred futures that selling at such a big discount have a great deal of merit, and same tightness which now exists in May corn may appear later in and still later in September, when we think stocks at terminal ts will reach about their lowest quantity.

OATS sympathized with the other cereals.

RYE was comparatively strong. Strength in the May future is stimulating factor, it being evidenced that the large holders er to own this cereal rather than to dispose of it by making de- ries.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO May 16, 1935.

The wheat market received a new impetus and considerable encouragement from the great strength at Liverpool. Their futures opened higher and at the close had advanced 1 1/2¢ per bushel compared with yesterday's close From information received from abroad, this is not due to speculative purchases either on part of traders or consumers. On the contrary, millers are only buying from hand to mouth; but Europe during the whole season has been looking upon the large stocks in Canada and has permitted her supplies to run down. In fact, since August 1st they have purchased about 12 million bu less than the preceding year.

It seems a point has been reached where greater import requirements will have to be covered. Last week's total world shipments amounted to 12 million bu --the largest week of exports since last November. As long as Canada ignores the situation and continues to hold back free offerings, foreign markets may remain strong until their own crops will be harvested, and at which time they also hope that this year's additional raisings in Canada will compel that country to supply larger quantities at the world price.

There is no fear abroad about obtaining plenty of offerings later on. There is still the possibility that Russia this year may alter the picture again on a moderate scale. So far the area sown to all spring crops up to April 15, is very much greater than lately.

In 1933 up to parallel time only 25 million acres were sown,
" 1934 " " " " " 42 " " " "
" 1935, to-date 55 " "

This, of course, includes not only wheat but all crops; and there is no positive proof that the final acreages will be much increased, but it is a clear indication that both weather and soil conditions at present are favorable, and whenever such combined elements exist, it is, to say the least, very promising.

With very few exceptions, all the other large wheat producers on the continent are sending very few complaints, and therefore, the outlook later on might be entirely different, and from a comparative scarcity, with the exception of Canada, we may have a great plentifulness.

The total world's visible supply was only about 80 million bu less than on May 1, 1934, the largest decrease being in the United States, and very little in the other combined parts of the world.

Nevertheless, the advance in Liverpool had a greater effect on sentiment here than the continued ideal weather prevailing in the United States at the present time, which is improving our crop prospects very materially. There were moderate rains over the Southwest and portions of the central states, and the temperatures continue cool all over with no frosts, which is absolutely perfect weather for the best development of the crop.

However, we are also confronted with the fact that temporarily the out-go of wheat is larger than farmers' sales, with the continued decrease in stocks, removal of hedges and a correspondingly increased improved technical position. This may last for about six weeks more when the opposite will take place, and at which time receipts will greatly exceed the demand, -this always occurring on the first movement and usually having a depressing influence on prices.

We still feel that present prospects indicate that this country will raise an exportable surplus and our price level looks high. If this opinion becomes general, future events may be anticipated and the decline may occur even before actual pressure comes. However, uncertainties must continue to exist for the next six weeks, and any great crop deterioration from the present favorable outlook in the Northwest, may give us at least speculative advances.

(OVER)

Primary receipts remain light, 247,000 bu against 739,000 bu a year ago; and stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 609,000 bu, pointing to another large decrease in the visible supply on Monday.

At the close the wheat market showed an advance of 1 1/2¢ per bu compared with yesterday's final figures.

The corn market right at the beginning started to exhibit grea strength, influenced by the continuation of wet weather, which may delay the late planting still further, besides the fact that the slow evening-up of May contracts is stimulating that future from time to time. With only thirteen business days to go, open May contracts last nig were practically 9 million bu, out of a total interest of 39 million. To show how much more wheat has been liquidated, the open trades in May wheat were only 3 million bu, with a total open interest of 70 million bu. The longs in May corn seem to be so stubborn that the shorts or hedgers will have to make greater efforts to bring more corn here or else they are likely to advance the price for the nearby future still further. The deferred futures naturally sympathized wi the strength in the surrounding markets.

Corn closed with a gain of 2 1/4¢ per bu.

Oats and rye benefited from the strength in the other cereals and gained considerably over the previous quotations.

The great strength in the stock market was a big help to grai also, particularly as it was ascribed to more inflation fears. Ther is still some uncertainty about the bonus bill, and it is claimed th the Senate Silverites decided they would withhold any move to try to speed up the silver bill until this issue has been disposed of in Congress. With silver prices having advanced now for five or six da in succession, and having reached a point where foreign silver is selling at almost the same price as the domestic, a further rise in our silver prices is in order, according to the previously announced policy. If it should come, it might revive speculation same as it did on every other past advance.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

May 17, 1935

Weaker cables from Liverpool, together with highly favorable weather in this country was too strong a combination of bearish news to prevent a good sized decline in wheat. There also were no further signs of the immediate workings of inflationary measures. The short interest yesterday having covered pretty freely, and with the market depending upon new buying orders, which were scare, it was no great surprise today that the market closed 2 1/2 cents per bushel lower than the previous session.

Broomhall again calls attention to the much stronger situation in one of the great exporting countries, Australia, claiming that she has exported so far almost 57 million bushels, but out of that amount 32 millions have been shipped to the Orient and therefore only a comparatively small quantity was available for Europe. He also added that the supplies left for shipment abroad in that country are only half of what they were at this time last year. Argentine shipments this week are also much smaller than they were the previous week, being 3,500,000 bushels compared with 5,600,000 bushels last week. As we pointed out yesterday, for the remaining couple of months the importing nations will have to depend more upon Canada than heretofore. However, the deficiency in Canadian exports during the last ten months cannot be made up except in the most trifling way, and nobody can tell as yet how much more competition there will be among the exporting nations after August 1st than there was in 1934.

It is very normal for the Balkan states to raise moderate surpluses; but last year they had poor crops, which was rather exceptional. Russia, of course, is always in doubt, but it looks to us as if they have the best prospects in many years with a largely increased acreage.

Therefore, it is very apparent that from now on more attention will be paid to the new crop prospects than to the old crop situation, which can easily be corrected when the new crop movement starts in the northern hemisphere.

The weather here still remains ideal; in fact, nobody could wish for anything better. We have plenty of moisture now everywhere, and normal temperatures; and in the past great improvements have always taken place under similar atmospheric conditions. The amount of actual good which can be done, however, is limited, owing to the largely reduced acreage caused by abandonment of a great many fields.

For instance, a large miller from Kansas, a very reliable and dependable authority, wired us that he believes the state of Kansas will harvest only 6 million acres and produce about 66 million bushels of wheat. This is very much in line with the latest Government figures, and evidently the acreage standing is a little over half of what was planted. To offset this, the amount of winter killing in the soft wheat states was very small, and it is not excluded that bumper crops might be raised there.

Also the Modern Miller reports that seeding of spring wheat in the American northwest is practically completed, and the outlook for the new crop is the best in several years. Therefore, the possibility or, in fact, the probability still exists that the United States will not only raise sufficient quantities for home consumption but also an exportable surplus, which has to be added to the carryover estimated by the Agricultural Department at 160 million bushels, but which we believe to be nearer 180 million bushels.

(OVER)

Perhaps it has not been sufficiently taken into consideration that importations of wheat on which duty was paid continued steadily right along, and with an additional 206,000 bushels of foreign wheat on which duty was paid last week, there is now a total of almost 12 million bushels which we have imported and consumed here.

Primary receipts of wheat continue to be very small, only 171,000 bushels today versus 659,000 bushels a year ago, and steady decreases in the visible supply keeps up. The decrease so far this week of stocks at terminal points, Kansas City, Duluth and Minneapolis, amounts to 919,000 bushels, overshadowing another very large decrease in visible stocks next Monday.

Corn prices suffered in sympathy with the declines in wheat and also on account of more favorable weather for planting. Receipts continue to be very light, only 274,000 bushels compared with 292,000 bushels last year. In some parts of the country corn remains an extremely scarce article; the farther West one goes the higher is the price it is commanding, particularly if freight rates are taken into consideration. For instance, Kansas City corn has to be shipped in from Omaha almost daily and is bringing about 93 cents, which price is 17 cents over our September option. The East is better supplied because of the Argentine shipments. Another cargo was reshipped from the Bay ports and arrived in Chicago, evidently intended for delivery on May contracts. It will be absolutely necessary to draw from every point where corn is available in order to fill May contracts here. Yesterday the open interest decreased only 370,000 bushels in that future and remains at the high figure of 8,591,000 bushels with only twelve business days left until the end of the month. Deliveries were somewhat heavier and they all seem to be well absorbed. The longs as well as the shorts remain stubborn in their position, making the final outcome unpredictable.

Oats and rye declined sharply in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO, May 18, 1935

Cables were about 1/2 to 3/4¢ lower before our session opened, but this was not considered as very important as the decline was merely a reflection of our weakness here yesterday. More important were the wonderful rain reports which were received from all over the Southwest, with Texas and Nebraska claiming they had about the best general rains in four years. This is not only significant as far as it affects the present crop, but as the soil conditions are now much improved, we may anticipate that after three drought years and short crops, it will be possible to look forward to more normalcy in the future.

All such events are as a rule discounted by the speculator, and therefore a feeling of intense bearishness exists at the moment. These movements usually are over-done, but the turn may possibly come only after a much lower level has been attained.

Duluth furnished today a striking example of what sometimes happens on short crops. Of all the varieties of wheat raised this year, there was none scarcer than the durum wheat, and the quantity raised was so small that the Agricultural Department felt the necessity of importing millions of bushels from Canada, chiefly for seed. Otherwise there would not have been enough on hand to plant a normal acreage. Yet, as we are nearing the end of the old crop year, the durmm future at Duluth, which had been strong all this year, declined at one time today 5¢ a bushel, the absolute minimum.permitted.

In the Southwest, on the contrary, futures keep comparatively very strong, and also premiums. We doubt if anyone has ever seen Kansas City July at a premium over Chicago, and yet today this happened. This is clear evidence that, despite the crop improvement in the Southwest, a general feeling prevails that hard wheat will remain scarce for the next twelve months; while on the other hand the soft varieties which are deliverable on contracts here might be very abundant.

Even Canada could not resist reporting declining values in the face of the weakness in all world's markets. It seems that the Napoleon of the Canadian wheat market has failed to cover his retreat and therefore is likely to lose his battle; while in the meantime possibly one billion bread-eaters in the world have to pay higher prices for their food on account of his manipulations. The Canadian government is furnishing the funds, but the excuse is no longer valid that all this is done to help the farmer, because the latter has practically sold his crop; and from now on will neither profit much from any advances in the market, nor be hurt much by any declines. That period is gone. The longer the liquidation of wheat is delayed, the more the Canadian farmer will suffer when his new crop comes on the market, in competition with the large carry-over, and when the European harvests will bring new supplies to the market.

Primary receipts of wheat were extremely light today, only 155,000 bu versus 550,000 bu last year. Stocks continue to decrease, and so far this week supplies at Kansas City, Duluth and Minneapolis have shrunk 1,116,000 bu. This is a very much larger decrease than that at all points last year in a parallel period, when on May 19 the visible supply decreased only 1,063,000 bu. This year we expect it to be very much more.

Corn suffered at times in sympathy with the weakness in wheat, but the great tightness in the May future prevented sharp declines, and at the close all futures were higher. A very strange situation is still existing in the nearby future, and the open trades for the May delivery were reduced only 156,000 bu yesterday, still amounting to 442,000 bu last night. When it is considered that there are only ten business days left to bring corn here from other markets to fill the contracts, it is possible that the shorts which have been so brave so to date might still lose their courage and be compelled to cover their commitments.

In the meantime primary receipts are heavier, 784,000 bu, the bulk of which, or about 392,000 bu, all came to Chicago for delivery. The estimated receipts today were 113 cars, showing that a greater movement has started, but it will be absolutely necessary, as the longs are also very stubborn and do not seem to liquidate. Of course any great change in the price of May corn will affect all the other futures.

There were no great variations in the prices of either oats or rye.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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May 20, 1935

Wheat cables were somewhat higher before our session opened, in sympathy with our closing strength on Saturday, but the advance was practically all lost before the Liverpool market ended. We expect a continuation of indifferent markets abroad for the present. There is no reason to expect any very sharp declines with the dropping off of heavy offerings from both the Argentine and Australia; nor may we expect much higher values as long as the crop prospects continue to be favorable in most countries. There are at present hardly any complaints, with the possible exception of Italy. It is now assumed that that country will produce less than last season. This, however, could easily be made up with the much more promising outlook in the Balkan states.

The amount on passage, almost 33 million bushels, is larger than last year, and a very comfortable quantity in view of the near approach of the foreign harvests. In the meantime, there is a much better demand from China and other oriental countries where the rice crop was very much smaller than a year and two years ago, and where wheat is now partially used as a substitute.

Europe, however, is quite confident that when the next Canadian crop is being harvested, offerings from that country will become very much heavier and it will be almost unthinkable that the large carryover this year will still be augmented. Consequently, next season Canada must export at least all she raises, less her home consumption, and this might easily be 100 million bushels more than during the 1934-35 period.

World shipments were practically the same as last year, 10,636,000 bushels versus 10,998,000 in 1934. The Southern Hemisphere is now shipping considerably less than earlier, but it is partly made up by various countries which are usually not very important exporters, such as France and others, so that it doesn't seem to be difficult for the importing nations to supply their requirements without great efforts.

However, not much attention was paid here to the foreign news. Everybody is watching the weather very closely and same continues to be highly favorable. Not only were there more beneficial rains almost everywhere in the wheat belt, but in addition the weather remained nice and cool, promising the best results possible from now on. Everybody is anticipating greatly increased estimates when the next Government report comes out. Under these circumstances the great strength of the old crop situation is being ignored.

Primary receipts continue to be extremely light and stocks at practically all terminal points are decreasing, and will probably continue to do so until the new crop starts to move. The visible supply showed a decrease today of 2,835,000 bushels compared with only 1,063,000 bushels in 1934, and the total supplies left are 32 million bushels compared to about 78 million bushels the parallel week of the past season. Primary receipts for today were 377,000 bushels versus 719,000 last year. At the close of the session the market showed a decline of 7/8¢ compared with Saturday's close.

Corn acted very independent, showing great firmness during most of the session as it was influenced chiefly by great strength in the May future. The open interest last Saturday was still 8,250,000 bushels compared with 9,311,000 bushels the previous week. Therefore, greater headway has to be made as

(OVER)

the future expires a week from Friday. With one holiday intervening, there will not be much time left, namely, only five business days this week and four next. May corn acted very strong and undoubtedly had great influence on the other futures. Despite the attractive prices, the movement is still small, only 481,000 bushels being received today at primary points compared with 473,000 bushels last year when no such temptations existed to hurry the movement along.

The visible supply again decreased 733,000 bushels, reducing the amount stored at all terminal points to 11,460,000 bushels. There are also some fears that corn planting might be delayed, and we think the price of this cereal is likely to show further improvement.

Sterling exchange was again strong today and the French exchange was weaker, showing that flight of capital from France to England continues. Since the French exchange is also below the gold exporting points, further shipments of this precious metal to this country are in order. The Bank of France has lost a great deal of gold lately, and while her reserves are still very large, a point may be reached when inflation fears, which have already started, will become more pronounced. French securities are rising rapidly and government bonds are declining. This shows the way the wind blows. We think that finally it would be beneficial to world trade if the French devaluation would come, as only then could we be more hopeful of a settlement of the international currency question.

Rye sympathized with the weakness in wheat and closed about one cent lower, while oats were independently strong.

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CHICAGO May 21, 1935.

The Liverpool wheat market today declined 2¢ a bushel from yes-
erday's close. Considering that their values are already so much
elow ours, this represents a very weak world wheat situation, and
s bound sooner or later to be reflected in every exchange in which
heat is dealt. Evidently there is no hope abroad that the new
heat conference at London, which will start its discussions tomorrow,
ill be able to accomplish anything. This is also our opinion. We
hink the old saying, "God helps those who help themselves", still
olds true; and that very few of the big exporting countries, which
re looking for relief have done anything to bring it about. The
hole problem is complex.

All the exporting countries from July 1st up to date have been
ble to dispose of only 466 million bushels of wheat and flour com-
ined; and if this rate continues for the remaining five or six weeks
robably all exports will not exceed 550 million bushels. With good
rospects abroad it is not likely that the requirements will be any
arger next year. Take the biggest exporter --Canada, with a fair
verage crop she might easily raise 350 or 400 million bushels of
heat, and with a carryover of 200 million bu she alone might export
ver 400 million bu. Such a situation would leave very little to
thers. This year the United States had been an importer, but during
he next twelve months she is likely to be an exporter. It is plain
o us, therefore that the price level in most countries will finally
e about equal to that of Liverpool, freights and other charges taken
nto consideration. The only exception will be those nations which
re either on a strictly domestic basis or are protected with high
ariffs; or if they are exporting countries they would have to depend
or a higher price level upon subsidies or other government support.

The Winnipeg Free Press came out with an estimate of a 10 per cent
eduction in the acreage of Canada, but reports moisture conditions
he best in five years, which will be more than an offset; and pros-
ects are for very much better yields than in the past season.

Weather conditions continue to be ideal, and new low prices were
ade on this movement. The feeling became so intensely bearish that
n oversold condition was created, which brought about a moderate
ally from the lowest points, the close being 1/4¢ per bushel higher.

There is no pressure as yet, and we do not believe there will be
ny, from old crop stocks. Primary receipts were only 261,000 bu
ersus 548,000 a year ago; stocks at Kansas City, Duluth and Minnea-
olis so far this week show a decrease of 201,000 bu. High premiums
ontinue to prevail in the Southwest for hard winter wheat, and
rdinary arrivals are bringing about 10¢ per bushel over July. The
illing demand is fairly good, but all eyes are turned now to the
robable new crop movement, which at the present level might be very
arge, particularly in those states where at the present time a bumper
rop is promised. We refer particularly to Illinois and Indiana
here the wheat is tributary to Chicago; and if weather permits the
rrivals during the month of July ought to be very large. Any heavy
ccumulation would bring about much bigger carrying charges than those
xisting now. We would not be surprised to see September wheat sell
t 2¢ or more over the July future.

The corn market also acted in a very mysterious way. The open
nterest in the May future is decreasing only very slowly; it was al-
ost 8 million bu at the close of yesterday's session, decreasing but
75,000 bushels that day. The total stocks of corn in public elevators
t the present time which could be delivered on contracts are 771,000
ı, which includes 91,000 bushels of white corn bringing good premiums.
herefore only 680,000 bu are available for that purpose. One would
magine that both hedgers and shorts would be anxious to reduce their
ommitments, but judging from the market, such does not seem to be the
ase. May corn at one time was very weak and easily obtainable. We
re, however, under the impression that there was a larger reduction
f open engagements today, but there may be some doubts as to the
inal outcome until the last day, or maybe until the last minute. All
ther futures of corn were much influenced by the action of the near-
y one, and closed lower.

The United States corn in store in bond at Canadian markets is
eing brought here right along; and as stocks there have been reduced
bout 1,200,000 bu during the week, there is only 3 1/2 million bu
eft. This is significant insofar as this movement cannot be repeated
gain in July should a similar scarcity exist at that time.

Rye had a firmer undertone, and closed higher, while oats were
ower in sympathy with corn.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

May 22, 1935.

Cables were more constructive and Liverpool futures advanced ver one cent per bushel. Since yesterday's decline was largely due o liquidation on stop orders on a narrow market, the European situaion in general is practically unchanged.

The Southern Hemisphere is shipping rather heavily considerng the shorter crops, and the estimated Argentine shipments for this eek are 4,225,000 bu, compared with 3,333,000 bu last year, or alost one million bushels smaller.

European crop conditions are about up to normal. France has suffered from excessive moisture, but the condition on the crop on ay 1st was placed at 72 per cent, and the outturn is estimated to be bout the same as last year. Italy and North Africa probably will have horter crops, but the Balkan countries are expecting fairly good ields and a surplus for exportation is looked for this summer.

Canadian wheat stocks in visible positions on May 17th amountd to 207 million bu against 196 million last year, and with good crop rospects in that country, it is assumed that when the new crop comes n the market, Canada will have to be a liberal seller whether she ants to or not. It is unthinkable that she will continue to augment er large stocks, and that the desperate fight which she has waged gainst the importing nations, will continue. After all, the purpose f growing so much wheat is not to store it forever, but to dispose of t to willing customers. As the Canadian farmer raises wheat of such hoice quality which surpasses any other that is offered in competing arkets, and also as Canada pays no duty to England, the greatest conumer, while other competitors outside of the British Empire are axed from 5 to 6 cents per bushel, it is to be assumed that more noralcy will prevail next season.

Trade here was extremely light. During the early part of he session everybody was waiting for the President's speech on the onus, expecting that it would give some indication whether the Adinistration is thoroughly opposed to more inflation or not, and as nflation fears at times have a great deal to do with the trend of he grain markets, any pronounced opinion on the subject might become temporary factor. Toward the close the President's message was istened to with great interest, and was commented upon very favorably. ll cereals declined after a bulge first, but we think it was due more o conditions reflecting grain values than to the Washington comments.

Fluctuations were extremely light. There was no particular ressure. The feeling remains extremely bearish on account of most avorable weather and many confirmations that the crop outlook is reatly improved and that the final result will be very much better han anticipated a short while ago.

Primary receipts continue to be light --only 265,000 bu ersus 471,000 last year, and stocks at Kansas City, Duluth and inneapolis have so far this week decreased 494,000 bu. At the close he market was 3/8¢ per bushel lower.

In corn, the May future is watched very closely, and will be s long as both shorts and longs are slow to liquidate. The open nterest decreased more yesterday than for some time --about 616,000 ushels, but it still amounts to 7,359,000 bu, which will have to be vened up by tomorrow a week. Deliveries are somewhat larger, and olders seem to be a little more concerned, as shown by freer liquidaion and lower prices. The other futures declined, owing to more avorable weather and better progress of planting. Prospects are for largely increased acreage, with soil conditions highly favorable. ash premiums, particularly in the Southwest, are holding very firm, nd the demand remains good.

Primary receipts continue to be light, 289,000 bu against 43,000 a year ago.

Oats closed somewhat lower, and rye practically unchanged. rade was extremely light, and no fresh news was forthcoming.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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May 23, 1935

Liverpool cables were weak early but recovered practically all the decline in future months before their market closed.

Sterling exchange was very strong at times, and it appears as though more French money is being taken from France to other countries which are considered a much safer haven for capital at the present time.

Broomhall expects the Southern Hemisphere will gradually reduce its weekly shipments to about 3 million bushels which would necessitate much heavier clearances from North America and other countries. Black sea shipments were 600,000 bushels this week compared with 288,000 bushels last year. We believe that additional supplies can easily be looked forward to from the Balkan countries and possibly from Russia when their new crops are harvested.

Mr. John I. McFarland, General Manager of the Canadian Wheat Pool, in an address, called attention to the removal of a large disastrous over-supply such as had existed during the past few years. However, he did not mention that while this is true of several countries, due to very short crops, Canada cannot be included. Although Mr. McFarland only recently estimated the Canadian carryover would be close to 100 million bushels or less, it now appears that there might be a surplus of nearer to 180 million bushels. However, he does not as yet seem disconsolate because his estimate of reduced supplies was not realized and because Europe remains indifferent to his terms and does not purchase larger quantities of supplies. It is reported that he again supported the market lately, and seems to be more interested in seeing higher prices on the blackboard than in getting rid of the large quantities accumulated in Canada. There will be two holidays in Canada, so there will be no session for three days, including Sunday. This may give Mr. McFarland time to meditate on his great problem for it will not be long before his difficulties will be greatly increased. Their new crop year will start in a little more than two months and, for all we know, the three Provinces might raise from 350 to 400 million bushels of wheat this year, in view of the present good outlook.

Trade here was extremely light, most operators preferring to be on the side-line until positive information is received whether the veto of our President on the inflationary bonus bill will be sustained or not by the Senate.

Primary receipts continue to be light, 243,000 bu compared with 143,000 last year. Stocks at Kansas City, Duluth and Minneapolis continue to show a heavy decrease so far this week, amounting to 632,000 bu. Premiums in the Southwest, particularly for high protein wheat, are still very high, and with light receipts millers are compelled to meet sellers' prices. At the close the market showed an advance of 3/8¢ per bushel compared with yesterday's closing price.

Much discussion is still going on regarding the final outcome of May corn. Engagements were reduced only 266,000 bushels yesterday, which amount included moderate deliveries, and the total open interest last night was 7,093,000 bu. Including today, there are only seven days remaining to even up all contracts, and it will require much heavier operations to accomplish this result. The market itself shows that there must be a nervous sleeping short interest, as any buying easily advances prices. The close showed the May future 5/8¢ higher than yesterday, and the others followed sympathetically, although more reluctantly.

Primary receipts of corn were 595,000 bu, but as this included a cargo from the East amounting to 249,000 bu, there are no indication that farmers are taking advantage of the higher prices over the deferred futures to dispose of any large quantities. It is to be assumed, therefore, that a similar situation may exist in the July futur when we are nearer to the approach of that delivery month.

Rye showed a firm undertone and closed higher.

Oats were more or less neglected without any material change in price.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO May 24, 1935.

Corn was decidedly the leader today, and influenced all other ereals. Sentiment plays a great part in speculation. Many corn ommitments were based on the hope that if the May shorts or hedgers hould have difficulty in filling their contracts, a similar situation ight later on exist in the July and September futures. The latter erived a great deal of strength from this thought.

Open contracts in May corn last night amounted to 6,895,000 bu, nd had been reduced only by 198,000 bu., which certainly looked as f a grave problem would have to be solved if all contracts had to be vened up during the six business days left, including today. However, another cargo of corn was received here today amounting to 49,000 bu, and the heavier deliveries this morning seemed to have cared the longs; heavy liquidation took place and at the close the ay future showed a decline for the day of 3 1/4¢ per bushel.

It is yet too early to be quite positive that there will not e another reaction upward, although as a rule when an artificial ituation, such as existed, is once punctured, it may be difficult to evive the upward movement. This does not necessarily mean that July nd September corn, which are selling so much lower than the May, ight not have independent merit. Cattle and hogs are selling at extremely high prices and feeding is on a very profitable basis. It s limited to some extent on account of the shortage of animals, and lso owing to the compulsory restrictions imposed upon the hog raiser, ut he still has the privilege and liberty of fattening the animals o as large an extent as he desires; so we may look forward to an increased consumption for this purpose.

Primary receipts of corn were 422,000 bu compared with 449,000 u last year.

Wheat cables were a trifle lower today and undoubtedly were influenced by the extremely heavy shipments both from Argentina and ustralia. The clearances from the Southern Hemisphere amounted to ,581,000 bu compared with 4,728,000 last year. If the Black Sea ipments are added to that, it is quite evident that only very small upplies will be needed from Canada to fill the weekly requirements. his is all the more sad because total Canadian exports for forty-two eeks amounted to only 138,500,000 bu compared with 168,627,000 bu in 934. During the last ten weeks shipments from that country amounted o only about 34 million bu. If they do not increase for the balance f the crop year, Canada will be left with a very large, burdensome arryover. Crop prospects there so far are very favorable and the nly redeeming feature is the fact that weather conditions prevented s large an acreage as last year, and the seedings might be reduced bout 10 per cent.

Primary wheat receipts today amount to 393,000 bu, vs. 479,000 arallel week in 1934, and stocks at Kansas City, Duluth and Minneapolis so far show a decrease of 506,000 bu,

Weather is extremely favorable everywhere, creating a very earish sentiment. It is now almost sure that with any kind of noral temperatures from now on, the combined crop of spring and winter heat will give us an exportable surplus, and assuming there will be o government interference, we will have to dispose of the excess aised, in competition with other exporters, which would mean a aterially lower level of prices.

At the close the wheat market showed a decline of 1 3/4¢ per ushel compared with yesterday.

The London wheat conference adjourned without having accomplished nything. It never was a factor in the market, as no grain man expected any results; its failure was a foregone conclusion.

Sterling exchange was higher again, and French currency somehat weaker. The outflow of gold from France continues. The situation ust be sufficiently critical, as French Francs can be sold only for eferred delivery at enormous discounts. This indicates at least hat great fears of devaluation in the not-very-distant future are xisting among such economic students who watch the situation and who re willing to bet on their judgment.

May oats declined the full limit which is permitted under the ules, and the other futures sympathized with its decline.

Rye also closed much weaker.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO, May 25, 1935

Liverpool cables were very weak again today and practically l the late advance which had taken place during several weeks had een lost. Broomhall reports much heavier shipments not only from the outhern Hemisphere, but also from continental countries, particularly rance and the Balkan states, which now supply Italy, and this country ormerly drew largely from North America.

The weather here continues to be ideal all over the Southwest, verybody with hardly any exception reporting improved crop outlook. he combination of this bearish news was bound to bring about more liq-idation and increase short selling, with the result that the wheat rket closed lower again, showing a loss of 1 1/8¢ a bushel compared ith yesterday.

Little attention is being paid to statistics. Primary receipts re reasonably heavy, 532,000 bu versus 422,000 bu the parallel week ast year. Stocks at Kansas City, Duluth and Minneapolis show a de-rease so far this week of 647,000 bu; and the visible supply will show nother decrease, but no heed will be taken of this as the reverse no oubt will take place as usual when the new crop starts moving in a ittle over a month.

Virtually no encouragement can be given to the constructive ide at the present time, except that the decline had been rather sev-re. A big short interest no doubt has been created and any setback n the crop prospects either winter or spring wheat might bring about emporary reactions. In the long run we feel that with a reasonably arge carry-over and an exportable surplus, which no doubt will be aised on this season's crop, we are still way above other exporters, nd too high for the importing nations to relieve us.

The Business Conduct Committee invited all clearing house mem-ers to a meeting yesterday, requesting that they suggest to their cus-omers, both shorts and longs, to try to liquidate their open commit-ents in May corn and oats, so there will be no artificial price level reated the last session before the future expires, which would be det-imental to the exchange. The open interest in corn had been reduced esterday almost a million bushels, and is now less than 6 million bu. e expect very heavy deliveries on Monday, as a good deal had been un-oaded in the meantime, and with further evening-up today, undoubtedly he total quantity will be heavily reduced; but still it seems some of he largest holders show no signs of disposing of their lines and may ish to receive the actual grain which they had purchased. As a last esort the Board of Trade has the power to stop trading in a congested uture and all trades would then have to be evened-up at whatever rice they conclude would be a fair one. In this case those who had ctually paid for the grain could no longer deliver it and would be ompelled to merchandise it.

So far we doubt whether this suggestion was an influence on he market, but corn futures were rather weak, partly on account of the ost favorable weather for planting, and also in sympathy with the de-line in wheat.

Deferred futures in oats were very little affected and the open nterest in May had been reduced to 2,300,000 bu yesterday. Rye show-d very small fluctuations.

We feel that the present cheaper prices on corn will lead to argely increased amounts of feeding, and therefore we consider Decem-er lard might look very high six months hence. We thoroughly appre-iate the scarcity at the present time, but we anticipate a continued ecreased consumption, and this article has not yet declined in pro-ortion to the cereals.

The French interest bank rate, which was recently raised to per cent, was raised today to 4 per cent, and this seems to be a esperate measure to stop the outflow of gold which has assumed remendous proportions of late. Temporarily it had the effect of im-roving the exchange, but it is doubtful whether this artificial easure will finally attain its object, because it is not likely that he scare of devaluation will subside.

Living in France is already very high and export business is uffering. With higher interest rates this condition will become till worse. A plebiscite in Switzerland, which will take place early n June, will decide whether that country will go off the gold basis. ltogether it seems as if all the gold bloc countries are on the de-ensive; but there is this sunny side to it- should the devaluation ecome general it might be easier to restore stabilization of ex-hanges between all countries, and this might be the beginning of an mprovement in world trade.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO May 27, 1935.

Liverpool wheat cables this morning were somewhat higher than Saturday, but any small fluctuation in the price level abroad will have only a temporary sentimental effect here. We shall have to lower our values considerably more when the new crop starts moving if we are to be in line for export of our probable surplus. This is on the assumption that the present growing crop comes through the way it looks at this time. While at the parallel time last year we had nothing but damaging weather every day, with intense heat and destructive conditions, each day now we receive additional reports of ideal weather, cool and showery, just what is wanted; and estimates on the probable outturn are being raised right along.

World shipments were extremely heavy, probably the largest for this season, amounting to 15,515,000 bu compared with only about 10 million bu last year. In consequence, the amount on-passage, which had been very small, less than 30 million bushels, has now increased to 34,200,000 bu, making importing millers feel much more comfortable. Every country outside of North America shared in this additional business --Argentina, Australia, the Black sea and sundry nations all cleared a great deal more than similar week in 1934, but North America shipped about 250,000 bushels less than a year ago. This clearly shows that the management of the Canadian wheat holdings has not as yet been influenced by the favorable crop prospects in Canada, and is still willing to pursue the same unfortunate policy: namely, selling only small quantities at a high price rather than disposing of the huge accumulations at the world's level.

The prevailing feeling is quite general that lower prices are in prospect. In consequence of which, no help is being extended from new speculative commitments, and the total open interest in wheat is still less than 72 million bu. When the new crop movement starts in earnest many new buyers will be needed to absorb the hedges which will then be in evidence.

Primary receipts continue to be fair --being 690,000 bu vs 537,000 a year ago. Apparently the farmers who still have wheat left are willing to dispose of it before it comes in competition with the new crop movement. The visible supply showed another decrease today, amounting to 1,396,000 bu; it has now been reduced to less than 31 million bu compared with over 77 million same week in 1934, or a decrease of 46 million bu. However, as we are only four or five weeks away from the period when the whole picture will change, and when we shall expect increases instead of decreases in the visible supply, it is not much of a factor just now.

The declines in wheat from the high point have been so sharp of late that from now on the tendency in the downward direction probably will be slower, and might not be severe until the actual pressure asserts itself later on.

The open interest in May corn last Saturday was reduced 744,000 bu, to a little over 5 million bushels. Some of the elevators worked Sunday unloading corn, but evidently receipts are not yet ready for delivery, as the amount put out on contract was comparatively small. However, we look for very heavy deliveries tomorrow. Belated longs anticipating this result have been trying to liquidate their May corn, thereby depressing this future very severely, and all the others followed in sympathy.

At the close the corn market showed a decline of about 1¢ per bushel.

Oats and rye were also influenced by the continued fine weather for the growing crops, and closed lower.

The currencies of the gold bloc seem to be in a very precarious condition; France not only continues to lose gold in large quantities almost daily, but the 90-day exchange is almost unsalable except at unheard of sacrifices. As politics play a great part in the final decision, nobody can tell what the immediate outcome will be, although there are very few now who have any doubt that devaluation will eventually take place in those countries which so far have held firm in their endeavor to keep their exchanges on the old basis.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

May 28, 1935

The Supreme Court's importa nt decisions on the NRA and the zier-Lemke farm debt act are bound to have some unsettling influence, say the least. It is too early to determine all the final effects, ticularly as some time will be required before it will be known ther the President's efforts will become more conservative or possi- more radical.

No doubt some businesses will benefit through greater liberty their dealings, while others will find less co-operation. Conse- ntly there will be more uncontrolled competition which will be rimental to prices. It would be asking too much of human nature to ume that wages will not be reduced in cases where they had risen ve the level which manufacturers can afford to pay, even if these be only isolated cases. To that extent there might be more or s deflation. However, we do not think that this will have much ef- t on grain prices unless finally the Court's decision would also be ended to some of the AAA administrative measures.

Weak cables from Liverpool and continued favorable weather e a more potent influence in shaping the price level of grains to- . Rains were again quite general and temperatures cool. The time approaching when private experts will express their views on the ps' improved outlook, and the government report will soon follow, of which we think will be of a bearish nature.

Under these circumstances it will remain difficult to create peculative long interest, which is so badly needed to boost prices. the absence of speculators to absorb the surplus which we are like- to raise for export, we are afraid we have to reach a level of ces which would enable us to dispose of our coming surplus in com- ition with other nations. This causes a particularly difficult uation, as Canada's large carry-over is still threatening all mar- s. The apparent balance of wheat in farmers' hands in western Cana- as of May 18 was 16,143,000 bu; and on that basis the estimate of ada's exportable surplus of wheat left would be 230 million bu. uming the weekly exports from now on would be 4 million bu, the ry-over would be about 190 million bu. Last year after this date, farmers marketed 27 million bu of wheat and still had a carry- r of 3 to 5 million bu. So the presumption is that the crop was in under-estimated, and therefore, a probable carry-over for Canada l be nearer 200 million bu.

In addition the outlook in our spring wheat territory remains al, as evidenced by the precipitation this year versus a compara- period last year:

	This year	Last year
Minnesota (From April 1 to May 21)	4.37 in.	1.93 in.
No. Dakota	4.14	.84
So.Dakota	6.05	1.16
Montana	2.35	1.03

Primary receipts of whea t were only moderate, 488,000 bu pared with 643,000 bu last year. Stocks at Kansas City, Duluth Minneapolis show an increase of 108,000 bu so far this week. At close the market showed a decline of about 1/4¢ per bushel.

(OVER)

The open interest in corn for May delivery is still fair-sized, amounting to 4,351,000 bu last night, and decreased yesterday only 809,000 bu. Deliveries today were very small, but this was entirely due to bad weather which prevented the unloading of several cargoes. There is no question that there is quite a lot of corn here now ready to be put in public elevators for delivery as soon as atmospheric conditions will permit. Corn, however, was independently strong today, just the reverse of yesterday. Primary receipts are getting lighter again, being only 250,000 bu compared with 355,000 in 1934. With all the efforts which were being made to bring corn to Chicago t fill contracts, the total amount in public and private elevators is 3,304,000 bu; and the total visible supply only 10,500,000 bu. In the meantime it was necessary to bring large quantities of corn back which were stored in bond in Canadian markets, and the amount left ha been reduced from close to 6 million bu to 3,599,000 bu. This makes it very plain that unless farmers' receipts increase, there might be again a tight situation in July. At the close the market showed an advance of 3/4¢ per bushel.

The fluctuations in both oats and rye were infinitesimal, and interest in these cereals very limited.

The French bank rate had been raised to 6 per cent. This is a distinct financial alarm signal, -it is quite evident something wil happen. The outflow of gold not only to this country, but also to England and Belgium has reached enormous proportions. Judging from all precedents it will finally mean financial devaluation of the currencies. Whether it will come immediately or will be preceded first by stoppage of gold exports remains to be seen. When it does come, we think the financial world is prepared for it, and will have no particular effect on our commodity prices.

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CHICAGO MERCHANTILE EX.

CHICAGO May 29, 1935.

Liverpool cables were again weaker and Broomhall does not of- er much encouragement from the European outlook to indicate a higher rice level in this country. With the exception of damage from rought in Italy and Spain, crops abroad are very promising. France till has a very large surplus, so even a moderate-sized yield in that untry would put her again in the export column. Ordinarily at this ime of the year we hear complaints from Russia, as it is very seldom at with her large size and production in so many varying parts and ifferent climates that everything is going on well, but so far there re hardly any complaints. It should not be at all surprising if ext August both the Balkan states and Russia would become sharp com- etitors of Canada's for the import needs of Europe. Argentina con- inues to be a pressing seller. Despite the shorter crop this year earances were larger than last year: namely, 3,123,000 bu versus ,409,000 bu the previous season.

The unsettlement caused by the latest Supreme Court decisions, ich finally might also affect the AAA legislation more or less, ded to the bearish feeling, and at the close the wheat market show- a decline of 2 3/8¢ per bushel compared with yesterday.

Primary receipts of wheat today were 388,000 bu. There is no mparison with last year when there was a holiday. Stocks at Kansas ity, Duluth and Minneapolis show a decrease so far of 200,000 bu.

For the first time in a long while Canada did not act inde- endently, and the Government agencies did not support the Winnipeg itures market as had been done right along. While there is no im- ediate collapse in sight in Canadian futures, everyone is aware that thout the government support prices would be materially lower. It also quite evident that if the new crop comes through as it now omises, it will be almost impossible to maintain an artificial mar- t; her prices will have to come down to the export level, particular- if the latest estimate from a very reliable concern is correct, that e acreage will be reduced only about 5 per cent in the three western ovinces. With the most excellent soil conditions it seems to us at easily 50 to 100 million bu more wheat could be raised than in 1934.

The open trades in May corn were moderately reduced yesterday 659,000 bu, and the total open interest last night was 3,692,000 bu. appears to us as though there would be no difficulty to even-up this antity without any fireworks. Rains had prevented the unloading several cargoes, and the deliveries today and Friday ought to be ough to relieve the tension. Also the fact that May corn is declin- g shows that the longs are more eager to sell than the shorts to buy, l of which is quite natural, as long as the nearby future is still inging a good premium over July, which is only a little more than irty days ahead.

Primary receipts were large, 757,000 bu compared with 289,000 st year, but the bulk of it consisted of re-shipments from Canadian rts, while the new arrivals are quite small. We believe the latter ll continue and therefore corn futures are likely to strengthen after e May liquidation is over. Their cheapness is being recognized as own by the very moderate decline today in September corn, while such eat weakness prevailed in the surrounding pits.

There was an error yesterday in our market letter: we mentioned at American corn in Canadian markets amounted to 3,599,000 bu, where- it should have read 2,599,000 bu.

The open interest in oats had been more than cut in two yester- y --the decrease being 562,000 bu; and there are only 435,000 bu to settled, which of course will be done without any great inconvenience anybody. This cereal did not fluctuate very much but declined in mpathy with the others.

Rye continues to be weak. We have to adjust our prices to the ct that next year we shall probably be exporting instead of import- g it.

So far the French Chamber of Deputies rejected to confer such wer on the Premier as he desires to avert a financial and political isis. French francs for 30 and 90-days delivery are still selling big discounts. Daily it appears more and more as if France would ve to devalue her currency, which would compel all the other untries in the gold bloc to do likewise.

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DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO May 31, 1935.

Foreign markets were open yesterday while our session was closed, both Liverpool and Winnipeg reported higher values for their ures. Broomhall explains the strength abroad as being due to com- ints of dryness in Argentina, as well as over a large part of tralia, which is hindering seeding. Otherwise the statistical news rather bearish, both countries of the Southern Hemisphere making siderably larger contributions again to the world's shipments for week than during the past season.

The weather in Canada continues ideal and Sanford Evans claims t seldom have weather conditions been so favorable to normal de- opment at this season of the year. During the past week there e widespread rains and showers, with cool temperatures. Seeding not been entirely completed, but it is making great progress and outlook is just the opposite of last year; consequently it is sonable to figure on at least average yields, and in all probability above that.

Precipitation since April 1 to May 29 this year compared with t year, averaged as follows:

	This year	Last year
Manitoba	2.73 in.	1.26 in.
Saskatchewan	2.60 "	.98 "
Alberta	3.67 "	1.42 "

There were various rumors that we are likely to see a change the policy of the powers who so far controlled the Canadian wheat ket, and that the prospects are more favorable for free and open ding, a situation which is very much desired. Should it materialize, bably a lower level of prices will be temporarily attained. This uction will bring an increased amount of business, and finally lift great burden of large carryovers, which have been so detrimental the world's price, and which made any kind of combined action of various nations an impossibility.

In the United States weather conditions continue to be perfect. Mr. Paul Uhlmann states that in the Southwest, weather remains wery, cloudy, muggy and cool; and that he is using four adjectives describe it, as any one of these conditions separately is favorable the best development of the plant.

Primary receipts of wheat for two days were 710,000 bu compared 611,000 last year. Stocks at Kansas City, Duluth and Minneapolis ar this week show a small decrease --65,000 bu. Little attention paid to cash transactions; everybody is getting his inspiration from the new crop outlook, and how it will affect values.

On account of the Supreme Court's decision, there is less hope there will be governmental influence or governmental purchases ustain prices. We think prices are likely to decline still further, e assume that we shall have to go to an export basis, at least, for excess quantity of wheat above home consumption which will be ed this season. Fortunately, the difference between our values those abroad is not quite as great as it was, but it still is con- rable. Therefore, in all probability, the short side will be the ing one for some time.

Corn continued to show great firmness, and as we anticipated, he reduced prices farmers' deliveries will be very light, particu- y as hog and cattle feeding is still a very good paying proposition.

It was impossible to predict the outcome of the May future of , but it seems that the longs were just as anxious to liquidate, he shorts and hedgers were anxious to even up their contracts; and he close the May delivery was practically the same price as it was desday.

Primary receipts were lighter, at 373,000 bu versus 436,000 a ago. The open interest in May corn last Wednesday had been re- d to 2 1/2 million bu, but we are looking forward to very heavy de- ries after the close today. We feel, however, that corn will go consumption before very long, and will be no great burden.

Oats and rye showed no great variation from the previous session.

French francs for 30 and 90-day delivery were again weak, and d only be disposed of at greater discounts than ever before on the nt movement. There is great apprehension that the currency might to be devalued, but until the present French crisis is over it is ficult to make any safe predictions.

DAILY MARKET LETTER

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June 1st, 1935.

When our session opened today the discouragement on part of wheat longs was very great. Liverpool cables had declined over 2¢ a bushel, there are a great many uncertainties in our general domestic situation, and the future course of the AAA's action is bound to bring about much confusion in the minds of speculators. Furthermore the weather continues to be ideal, and in a few days the private experts will come out with their estimates, undoubtedly raising the figures of the probable yields for winter wheat. In fact, one report came out today already, suggesting a probable winter wheat crop of 56 million bu compared with the government's figures last month of 32 million bu. We would not be surprised if this estimate would be rather low, as it was based on an average date of May 26th, since which time further improvements must have taken place.

The opening was about 2¢ per bushel lower than yesterday's close, and a further decline followed to 81 1/4¢ for July wheat, which compares with $1.02 on April 22 --or a loss of over 20¢ a bushel in less than six weeks.

During that period Liverpool had declined only 6 1/2¢; and while we are still way out of line for export, a great readjustment has occurred. Therefore, the situation is not quite as hopeless as it was, although unless foreign markets advance further, we still are way above an export basis, with the possible exceptions of such points which cannot reach the chief domestic markets, like the Pacific coast, etc. Nevertheless, it is well worth taking a look and studying how much the present price has discounted the improved conditions of the greater probable yields. It is also well to remember that at present we are figuring (and justly so) on more than an average crop of spring wheat, which in all probability will be realized, but yet we are too far away from harvest to count on it as a certainty. Furthermore the high price of corn compared to wheat will undoubtedly lead to an increased amount of consumption for animal feeding. When we look at the price of Kansas City July corn, only 4¢ per bushel less than wheat, it is quite evident that temptations will be great to substitute wheat for corn in many places. It must be borne in mind that a great corn shortage existed in the Southwest, and the farmer certainly will be disinclined to ship wheat, pay freight to terminal markets, and then buy corn and pay freight again to bring it to his place, thus making the latter much more expensive, particularly as a bushel of wheat contains 60# compared to 56# to a bushel of corn.

We now have had three years of good quality crops, and we have become so used to it that we have almost forgotten that sometimes lower qualities sell as much as 5 or 10¢ discount. Should this happen again this year, there would be an added incentive to feed lower-grades of wheat. So altogether we feel that until we are more sure of a big crop in the northwestern states that it is not safe temporarily to follow the short side. We are prepared to see at least moderate reactions from this level.

Primary receipts of wheat today were 435,000 bu versus 413,000 last year. Stocks at Kansas City, Duluth and Minneapolis show a decrease of 197,000 bu so far this week, indicating only a moderate decrease in the visible supply on Monday.

There was a charter made for 200,000 bu of wheat to Buffalo. As the premiums on hard and spring wheat are so very high, we believe the soft winter wheat will be largely substituted; and we expect Chicago stocks to continue to decrease until the new crop moves.

At the close the wheat market showed a decline of about 1 1/4¢ per bushel.

(OVER)

The official figures were reported today of imports of grai
for consumption into the United States during the month of April, a
follows:

Wheat	2,706,000	bu
Corn	1,445,000	/2
Oats	2,167,000	"
Rye	670,000	"
Barley	1,566,000	"
Total	8,554,000	"

Total importations of all kinds of grain since July are clos
to 65 million bushels, of which a little more than 10 million bus
of wheat has been re-exported. This, of course, is not likely to
happen again next season. In fact, it is probably the only record
American history of such an excess of imports over exports.

The corn market declined at first in sympathy with wheat, bu
it showed more strength than the latter, and as the session advance
it came into its own, closing about 3/4¢ per bushel higher.

We still believe that corn will remain a scarce article unti
the new crop comes on the market.

Oats also were comparatively strong; but rye suffered more.
We have to become used to the thought that rye will have to be fig
on the world's level and will no longer be a domestic proposition
when the new harvest comes on the market.

There was more confidence in the French situation; both spot
and future francs improved somewhat. However, there is no certaint
that the French people will not continue to hoard gold, in which ca
the position of the Bank of France will be such that more drastic
measures will be taken to stop the exportation of this precious meta

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CHICAGO MERCHANTILE EX.

CHICAGO June 3, 1935.

The wheat news from abroad was rather encouraging today. World's
hpments were quite large 11,393,000 bu compared with only 7,779,000
h parallel period in 1934; but nevertheless Liverpool futures were
ey much higher. The July future advanced as much as 2 1/2¢, with the
eember up only 7/8¢, clearly indicating that a last minute demand
ut have developed before the home crops can be marketed. This also
ae about despite the fact that the on-passage statement shows almost
illion bu more than last season, and if our conclusions are correct,
h demand for a couple of months ought to be much better, with stocks
nthe Southern Hemisphere considerably reduced.

This might give Canada an opportunity to make up for lost time,
n while it is too late for her to reduce stocks to normal proportions,
oe improvement in her almost intolerably large carryover might be
complished. As of May 25 her exportable wheat surplus was figured to
e226 million bu, with nine to ten weeks to go yet; and therefore it
squite evident that there will be no trouble to supply all European
ats. It would seem to us that such a policy of taking advantage of
n demand would be most advisable, in view of the excellent crop
rspects in that country. While it is true that much might happen yet,
n that continued moisture will be needed during the summer months
obring about the best results, at the present time a conservative
simate for the three provinces would be not far from 400 million bu,
ch would be about 125 million bu more than during the past two
esons.

The strength in wheat abroad was only a temporary influence here
sweather conditions were again ideal. It is already anticipated that
n winter crop might be larger than the estimates which will be given
u by private experts tomorrow, it being evident that further improve-
et must have taken place since the various reports were collected.

The visible supply showed another decrease of 1,146,000 bushels
cpared with a decrease last year of 1,347,000 bu. The amount left
tterminal elevators of less than 30 million bushels compares with
lost 76 million bushels a year ago; ordinarily it would be considered
sabout as small a surplus as is desirable to carry from one crop to
ther. However, with the nearness of the new crop movement, and
h our price level still out of line for export, it will not take
ey long until stocks will be replenished. We particularly expect
s to be the case in the Chicago territory, as Illinois, Indiana and
isouri are likely to have yields way above normal, and in many case,
iht be extraordinarily large if this fair, cool weather continues
some time.

Primary receipts of wheat were 474,000 bu versus 742,000 the
rvious season. At the close the market showed a decline of 3/8¢ per
hel compared with Saturday's final figures.

Corn was independently strong from the start to the finish, clos-
,after only minor reactions at times, at the top price of the day.
le primary receipts were 607,000 bu, actually larger than last year
n they amounted to 495,000 bu, the new carlot arrivals were quite
ll; and we think that from now on with the May contracts out of the
, the movement will hardly be sufficient for daily requirements, and
t elevator stocks will be drawn upon again. This, in spite of the
t that they have already been reduced very heavily, this week's de-
ase being 126,000 bu. Total supplies at all primary markets are
y about 10 1/2 million bu against 43 1/2 million in 1934. At the
ose the market showed an advance of 2 1/4¢ per bu.

Oats sympathized with corn and registered higher prices, but
e suffered another sharp break. If the present crop matures ultimate
ues will depend upon European conditions, as our supply will be too
rge for home consumption, and some of it must be exported as in
mer years.

French exchange is very strong now and above the gold export
int. The newly appointed financial minister deservedly enjoys the
nfidence of the French nation, and as he is very much opposed to im-
liate devaluation of the currency, the franc has been saved for the
esent. However, it always must be borne in mind that it does not
pend so much upon the desire of the authorities, whether or not they
sh devaluation, but as more will depend upon the balancing of the
lget and stoppage of increases in the debt , only future events will
termine whether through cutting of expenses and general deflation
ese results can be brought about.

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DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO June 4, 1935.

Liverpool cables were surprisingly strong today, their futures osing 1 3/8¢ higher on July and 1 5/8 to 2 1/4¢ higher on the more ferred ones. This great strength following a sharp advance of sterday ordinarily would give us at least a fair-sized bull market, t there were enough offsetting influences so it was almost entirely nored.

Broomhall explains the strength abroad partly due to the fact at hope is waning that Canada will ship any large quantities before eir new crop is gathered. It had been hoped that that country ght compete after the first rush of Argentine and Australian new op offers had subsided. Nevertheless, with only a moderate advance Canadian prices today --they are nearer in line now for export d we are rather more optimistic than Broomhall, and we believe at advantage will be taken of the present situation, and that nada will be offering her wheat more freely, in which case the rength abroad would be only temporary and not lasting. In any case, op prospects in Europe continue to be favorable, with the possible ceptions of Italy and Bulgaria; Russia's prospects must be very en more favorable than last season when there were many complaints, ile we do not hear of any this year, and the prospects are for a ry largely increased acreage.

It is also being recognized that even with the narrowing of the read between Liverpool and Chicago, we are still way out of line for port. Our December wheat future is still about 5¢ per bushel over verpool, and in normal years Liverpool should sell from 10 to 16¢ ove ours, the exact difference depending much upon the cost of ocean eight, which varies greatly.

Furthermore, weather in the United States continues ideal and not ly did the private reports indicate much larger yields than the evious month, but it is to be assumed that they will have to be raise ain next month. It is customary to allow for moderate deterioration, particularly as regards spring wheat, as many of the troubles e still ahead. The average estimates for spring and winter wheat mbined are figured at 709 million bu compared with 496 million bu st year, which was exceptionally poor, thus indicating an increase 213 million bu. We received a message today from one of our own n at Herington, Kansas, as follows:

> "I never saw such fine wheat in all my life. Drove practically all day yesterday, saw thousands of acres. Had country elevator man with us. Lots and lots of this wheat will make 25 and 30, and some of it 35 and 40 bu, predicts it will be big yellow belly variety, it's filling rapidly with this cool muggy weather."

We appreciate that the territory mentioned is one of the best Kansas; nevertheless, we are inclined to believe that with the eal weather, crop prospects have improved since the various reports re compiled, and it would not require much imagination to believe at the final crop, from present outlook, might be close to 750 llion bu.

The wheat movement is becoming quite light again, primary receipts today being 291,000 bu against 300,000 a year ago. Stocks at Kansas City luth and Minneapolis show a decrease of 130,000 bu. The final gures in wheat were 1 3/8¢ per bushel higher than yesterday's close.

Inasmuch as we consider that the advances in Liverpool were due re to technical conditions than changes in the crop outlook, we doubt ry much whether they will be followed up. Should we receive weak bles tomorrow, we think the market is in a position to decline ain.

(over)

The situation in corn is entirely different. The movement has become extremely small again; Chicago received only four cars of new receipts. Cash corn is selling at stiff prices; #2 yellow corn is bringing as high as 7¢ over July, or 12¢ over September. This will m- pel the consuming interests pretty soon to supply their needs by dra ing upon elevator stocks, thus reducing same still more. Primary receipts were only 232,000 bu versus 359,000 in 1934. Following the sharp advances during the last few days, there was more hesitancy on part of new investors. The corn market closed 3/8¢ per bushel highe than the previous day.

The private experts' estimates on the oat crop of 1,210,000,000 u compared with only 526,000,000 a year ago, and considering the fact t t even last season a high price level could not be maintained, creates very bearish sentiment.

Estimates for a rye crop of about 42 million bu means that we ve to go to an export basis. With the big carrying-charges in sight, a with Winnipeg still lower than us and yet unable to sell rye for export, it does not make it very attractive for investors.

Silver prices at Montreal, where the market was closed yesterd , opened weak with prices declining 250 to 260 points below Saturday's close. There was some improvement afterwards but yet there was a fi l decline of 150 to 160 points. There is no question about the legali of the silver bill, and it is not influenced by the other Supreme Co t decisions. However, it looks as if the policy of the Administration n this "New Deal" in silver, is also being changed, and this metal is t being bought as aggressively abroad as it was. If the market is permitted to find its own level, world prices natura lly would sink further without this artificial help.

French exchange keeps very strong and for the present it seems s if the French government had matters in hand and the panic seems to b over. We still believe, however, that sooner or later devaluation is bound to come in all gold countries as they cannot deflate the cost of living fast enough without political disturbances; and their currencies must come more in line with those of the major countries who have already taken this step.

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CHICAGO MERCHANTILE EX.

June 5, 1935.

News in a general way was rather colorless today; therefore, ere was no very pronounced tendency in wheat fluctuations. The ade was light, and the smallest order sometimes brought about tem-rary advances or declines quite out of proportion to the volume business. Liverpool cables were weak, except for the further ferred future -March-, but all the others were lower. This, how-er, had been anticipated, because for two days the Liverpool mar-t had been very strong, and the presumption was that Canadian offer-gs would be more liberal and ease the situation.

It was reported that the Canadian Government agencies are ipping 2 million bushels of wheat to Montreal, ostensibly to re-eve the storage situation; but we are rather inclined to think that is is the beginning of dumping wheat abroad and selling it for what-er it will bring. This is the usual custom when Governments are ndling commodities. Rather than take their loss in the pit and ll the wheat where it was purchased, they ship it away, keep up e price here, and take their loss on the other side. In this way, e failure of their operations will not be so plain to the every-day n who is not posted as to what is going on. If continued, it will ve the effect of keeping the futures market at Winnipeg reasonably rong and depressing prices abroad, presuming that the volume of ch transactions will assume larger proportions.

There has been no permission given as yet to trade in their tober future; consequently, all July contracts might have to be ened up with no opportunity to change over to a deferred month. is certainly creates many uncertainties in the whole world wheat tuation.

The weather here remains ideal, but almost any kind of weather will be satisfactory unless there should be great extremes --either gh temperatures or very abundant and uninterrupted rains.

Primary receipts keep very small, only 359,000 bushels today mpared with 369,000 last year; shipments are large at 670,000 bu; d stocks continue to decrease, Kansas City, Duluth and Minneapolis far since the last visible supply figures were posted, have lost 2,000 bushels.

The crop this year, if anything, is late, particularly in the thwest, and we do not look for any movement in commercial quantities til early in July, and then not a big movement until about the 20th.

At the close the wheat market showed a decline of 1/4¢ per shel.

The corn situation is again developing into a very strong one. icago received only twelve cars of corn today and only four cars sterday. Offerings to arrive are very light. It seems as if the vement would be small enough so that the local consuming interests ll be compelled to draw upon terminal stocks; and certainly there ll be no accumulations for shipping purposes. While the visible pply at the end of May was very small, the corn had to be attracted om every corner in the United States in order to fill contracts. It pears as though the situation in July will be still tighter, and the sible supply by that time will be extremely small, with Chicago ocks also largely reduced.

Primary receipts were only 140,000 bushels versus 305,000 bu in 34. A few cars which are being offered in the market here are bring-g from 6 to 7¢ over the July future, or about 11 to 12¢ over the ptember. We, therefore, feel rather friendly to both the July and ptember price level, and think higher prices are in order. In

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spite of the big difference at which December corn is selling, we think the price for same is high enough, and probably too high, as the whole picture will change when the new crop comes on the market. Soil conditions are certainly very good, acreages also will be larg than last year, and we could easily raise a billion bushels more th in 1934. Should this be the case, December corn might look very high when the proper time comes.

There have been several boats chartered to take oats to Buffal. Old oats will be very scarce, but with crop estimates twice the amou of what they were each of the last two years, we believe it will be difficult to maintain the price for July and September later on.

Rye closed about 1 1/4¢ higher. It was reported that some Polish rye which had been purchased for this country has been resol abroad.

The French situation has againbecome very critical The new cabinet which was formed lasted for only a few days, and it is difficult to reconcile the various opinions of the deputies as well as the senators. The French exchange took a sharp drop; no doubt more hoarding and exportation of gold will go on. While the Bank of France still has very large holdings, she cannot afford to lose too much of it because if the devaluation is delayed too long finally all profits of this operation would go to speculators instead of to the Government. Belgium acted very quickly under similar circumstances; and in consequence the Government made a big profit out of devaluation, which is being used now to good advantage, and therefor putting the new currency on a very safe basis.

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June 6, 1935

Cables made no response to our late advance of yesterday, and in consequence wheat prices were moderately lower when our session opened.

Argentine shipments are finally showing a great dropping off compared with parallel period in 1934. Estimated clearances are 3,049,000 bushels compared with 5,261,000 last year, but part of this deficiency is being made up by larger shipments from the Black sea amounting to 880,000 bushels versus 64,000 bushels in 1934.

It seems one way or another Europe is able to cover her needs without being forced to advance buying prices materially, and so far she has won out in her battle with Canada, the latter country being compelled to carry over probably 190 million bushels of wheat. Had Canada been disposed to meet world prices, her share of the international wheat trade would have been considerably larger and she would be in a very much better position when the new crop comes on the market. As it is, the crop outlook for the three prairie provinces is exceptionally good. The average preipitation from April 1 to June 5 being:

	This Year	Last Year
Manitoba	4.54	1.88
Saskatchewan	3.43	1.74
Alberta	4.06	2.86

While conditions are incomparably better than the last few seasons. The seeding is about completed and all that is needed now is normal weather. It will not require exceptionally favorable conditions to produce very much larger yields than last year and Canada alone could easily supply 50 to 60 per cent of the needs of the importing world. Neither conferences nor any other schemes will avail to improve world prices of wheat until that country, which has only 10 million inhabitants, adjusts its acreage so that she will be satisfied with a reasonable amount of the wheat export business. As it is now, she raises in a normal crop more than half as much wheat as used by the 130 million people in the United States whose home consumption is six times as large.

Weather in the United States continues to be ideal, but with trade very light it developed early that a comparatively large short interest had been created and a moderate amount of covering brought about further advances. Same, however, could not hold and at the close futures showed little change compared with yesterday.

Primary receipts continue to be light, 278,000 bushels compared with 511,000 bushels last year and stocks at Kansas City, Duluth and Minneapolis show a decrease of 818,000 bushels so far, indicating that the decrease in the visible supply next Monday probably will be quite heavy. This, however, has lost much of ts importance, as with the improved crop prospects all holes will e easily filled up when the new movement starts. In the meantime we may have rather indifferent markets as the hedging pressure will not be felt for some time.

There were no sharp fluctuations in foreign exchanges. So far leaders who have attempted to form a new French cabinet were not successful. Of course it is quite plain that sooner or later a abinet will be formed, but then the question will arise whether t will be a strong one and able to carry out either devaluation r deflation. In the meantime England is not desirous of seeing the pound sterling advance too much because it would hinder her trade. Therefore, the stabilization fund has to purchase French francs to prevent that currency from declining too much. In the

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meantime gold is leaving France and every day that passes without any stable government makes the situation worse. The fact that interest rates have to be raised to 6 per cent is detrimental to the floating of any new issues. Should devaluation come it would be very bearish on wheat, as it would enable the French government to sell its holdings for more francs than now.

The corn market did not act as well as recently. While sentiment has not changed regarding old crop futures and remains very bullish, advances have been quite steep of late and greater caution is being used in making new commitments. Primary receipts were only 131,000 bushels compared with 312,000 last year. Stocks in Chicago are again decreasing, and the fundamental situation remains quite strong. At the close the market showed weakness with the December future leading the decline.

Oats were particularly weak, it being recognized more and more that with prospects of the crop being considerably more than twice as large as it was last year, accumulations will be such that when the movement once starts the present level may be much too high.

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CHICAGO MERCHANTILE EX.

June 7, 1935

Liverpool cables had no important effect upon sentiment here. ome of their futures were a trifle higher, others lower, but in ne main they showed no material change from the previous day.

Argentine and Australian shipments are considerably smaller han last year, but there is a gradual increase in wheat shipents from Black Sea ports, and this will probably continue if ne favorable crop prospects in the Balkan states come up to resent expectations.

Here the weather continues to be ideal, and we are receivng almost universal reports from the Southwest of prospective ncreased yields. Even from the territory which was so poor nat it was considered absolutely worthless, as far as yields re concerned, it is reported that possibly from three to ten ushels an acre might be realized on some of the supposedly bandoned acreage. This greatly improved outlook in the United tates is causing extremely bearish sentiment, and it is bringng about continued liquidation and possibly quite extensive short elling.

Primary receipts of wheat were only 396,000 bushels compared ith 549,000 last year. Stocks at Kansas City, Duluth and inneapolis show a heavy decrease of 938,000 bushels so far this eek.

The twelfth month of the wheat crop-year has advanced suficiently so we can tell about what the striking features of the ast season consisted of, so as to formulate proper opinions as o what the new crop-year might bring forth. Up to the present ime, since August 1st, 1934, despite much poorer crops from urope, importations were 6 million bushels less than the preious season, showing an extraordinarily small consumption. Exorts to ex-Europe were 13 million bushels more. A remarkble record, which is probably unique in American grain history, s the fact that the United States imported since July 1st 2,279,000 bushels of which 10,081,000 bushels were re-exportd in the form of flour, leaving for home consumption 12,198,000 ushels. The world's visible supply is 45 million bushels less han on the parallel date in 1934. The total decrease is due to he United States visible supply decreasing by comparison 46 illion bushels, all other countries virtually having the same mount of stocks, within 3 to 6 million bushels more or less, as hey had in the past season. But inasmuch as the United States heat crop promises to be much larger than it was in 1934, the otal amount of wheat in sight on July 1st will be very much reater than it was the past season.

Another factor deserves serious consideration. Russia pracically exported no wheat the past season. This year the area own to all spring crops in Russia on May 5, 1935, with comarisons was reported as follows:

ear	Area	Year	Area
930	92,976,000	1933	83,804,000
931	60,787,000	1934	115,396,000
932	53,460,000	1935	145,441,000

n order that readers may not be misled, we wish to point out hat this includes not only wheat but all other crops and also

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is not absolutely conclusive before the comparison will be made with the total acreage when seeding is finished. This year weather and soil conditions were particularly favorable and seeding is very far advanced. Of course finally the increase in acreage will not be quite so large as these figures might indicate superficially; nevertheless we are looking forward to a heavily increased acreage in all kinds of grains.

At the close the market showed a decline of 1 1/4¢ per bushel compared with yesterday's closing price.

The weather for corn planting has also greatly improved and the new crop future suffered another decline which had a sentimental effect early on both July and September corn. However, the scarcity of old corn is being felt right along, and the local industries are compelled to draw on accumulated stocks in Chicago for their needs or else they have to go to other terminal markets to supply their wants. This, together with the high premiums for cash corn, caused an upturn in July corn later. Farmers' deliveries are quite small, the primary receipts amounting to 530,000 bushels today, compared with 549,000 bushels last year, included shipments from one terminal market to another; but we look for a fair sized decrease in the Visible Supply on Monday

Oats and rye both closed lower, and we see but little hope for advance in prices for these two cereals if crops finally turn out to be as large as they now promise to be.

A new French cabinet has been formed, thus allaying the panic feeling which existed the last few days. French exchange has again risen above the gold point so it cannot be exported profitably at present. This, however, does not solve their problem, and France will either have to deflate or devalue her currency finally. She does not like to do either, but unless there is deflation quickly, the devaluation will be forced upon her. The sooner this occurs the better because then at least stabilization of world-currencies and improvement in world commerce may result.

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June 8, 1935.

There were no Liverpool cables for our guidance this morning, but an official Canadian crop report issued late yesterday afternoon was construed as rather bearish, indicating that wheat was 97 per cent normal as compared with a condition of 78 per cent on May 31st, last year. As a matter of fact all cereals are in much better shape, according to the condition report. Rye is said to be 99 per cent of normal against 63 per cent a year ago. This can easily be accounted for in observing weather reports for the various provinces. In Manitoba, for instance, the average precipitation from April 1st to June 5th amounted to 4.54 inches, while a year ago it was only 1.88; in Saskatchewan, 3.43 against 1.74; and in Alberta, 4.06 versus 2.86. Germination seems to be uniformly good, and the development of the grain, according to Sanford Evans, is quite up to what might be expected in view of the late start.

With this news, together with the knowledge that there still remains a balance in Canada available for export and a carryover of about 222 million bushels as of June 1st, there could be no real bullish incentive; and the result was a slightly lower opening in Chicago. Apparently, however, there were some shorts who feared that possible silver legislation next week might give us a temporarily higher market, and this brought about a buying spurt, although the best levels of the day were by no means maintained.

It is generally felt that temporarily the French situation may be less acute, and with the new cabinet given dictatorial powers over finance they may be able to continue the present monetary system for a while. At the same time, a continuation of such a policy, even with the help of the Bank of France, would mean high interest rates, which, of course, would discourage new floatations, besides there would have to be great deflationary tendencies in France. Until a level is reached that the balance of the world feels might permanently be maintained, it is useless to even consider international stabilization of currencies. So actually there is still the same confusion, although temporarily it might be disregarded.

Primary receipts of wheat amounted to 370,000 bu compared with 437,000 last year. We expect a fair decrease in the visible supply on Monday; and so far this week Kansas City, Duluth and Minneapolis show a total decrease of 1,143,000 bu. These decreases, however, will only continue for another few weeks; with practically all reports claiming ideal weather, and big improvement, it is very likely that the Government report will also revise upward its estimates at the beginning of the week.

We do not see any chance for permanently better price levels in wheat. The situation in Canada will finally have to be corrected, and as long as Liverpool sells at such large discounts, of course, the foundation is unsound.

Corn was influenced somewhat by the strength in wheat, particularly the nearby month. The fact that 100,000 bu were chartered for Buffalo was considered as a strengthening feature. Primary receipts were 359,000 bu against 344,000 last year.

Rye was considerably higher; there was no particular news, but it was assumed that there was buying under the lead of other cereals.

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CHICAGO June 10, 1935.

Another holiday was being observed in Liverpool today and
iere was little feature to our market in the early trade. The fact
iat no more urgent short covering was in evidence, created the
eeling that the technical position of the market had been somewhat
eakened, and it took only small selling orders to bring about re-
ctions. Trade on the whole was not large and the Government re-
rt is being awaited to see whether or not the private experts will
confirmed in their belief of revised yields. There is no doubt
iat the Southwest has experienced tremendous improvement, and even
ections which looked to be dead a few weeks ago have shown great
vival. Last year, following each report a poorer condition pre-
iled, but this year it has been just the opposite; and with the
od moisture there has been steady improvement, so that finally we
lieve enough wheat will be raised to furnish us with a substantial
rplus above home requirements. It is quite true that old stocks
wheat are decreasing very rapidly, and today's visible supply
gure shows a shrinkage of 2,512,000 bushels, and total stocks are
,361,000 bu smaller than last year. This will continue for another
iree or four weeks until the movement of new wheat gets under way,
d then of course increased pressure is bound to make itself felt.

World's shipments of wheat this week were considerably smaller
ian either last week or last year, and the total was just in excess
8 million bu. North America, which we presume is mostly Canada,
iipped only 1,815,000 bu against nearly 4 million bu last week and
ver 3 million bu last year. Up to the first of June Canadian ex-
rts were about 14 million bu smaller than for the corresponding
eriod of 1934; and even with the somewhat smaller crop the total
emaining stocks are not much less than they were at that time, which
uld indicate that last year's carryover of about 203 million bu
ill almost be approximated on the first of August, and instead of
ving a crop failure such as was witnessed last season, they are
pt to have very normal yields.

It is this situation in our opinion which prevents correction
prices either in Europe or in importing countries, because the
ar that a change of policy might put larger amounts on the market
turally hinders any sizable quantity of forward buying.

We are told that Canadian millers cannot do any business for
rward shipment either, because they have no futures beyond July
on which to base their prices. Therefore, no export flour busi-
ess is likely. Lake rates are down to the lowest prices in years--
tually 4¢ from Ft. William to Montreal. It does not seem that
isiness can forever remain at a complete standstill, and whatever
ieir final plan will be, either through Government handling or
ibsidy, we are convinced that it is just a question of time until
ieat must be forced into competition with other exporters.

Our market derived some of its strength today from higher
rn prices. There was a healthy decrease in the visible supply of
ie yellow cereal, amounting to 1,524,000 bu. Total stocks at
erminals amount to only 8,893,000 bu compared with 41,681,000 last
ear. Therefore, it will be seen that heavy deliveries are not
ikely either in July or in September.

In oats, there was a large decrease in the visible supply,
early 1 million bu. However, new crop prospects are good; and this
efers not only to the territory around here, but to the Southwest
s well. It will not be long now before a new crop of wheat and
ats is harvested; and of course to that extent it is different from
orn, because as far as the latter is concerned, there will not be
ny fresh supplies until next November.

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CHICAGO

June 11, 1935.

Liverpool reopened with only fractional changes after observing everal holidays. Actual business abroad was small, and the Canadian usiness has been restricted. even further, because of the port strike t Vancouver, and further the inability of Canadian millers to offer lour for export because of inadequate hedging facilities until a efinite policy is outlined by the Canadian parliament. We are afraid hat unless October wheat is soon traded in Winnipeg that it will ave a somewhat disturbing influence upon prices abroad, particularly f the Canadian crop comes through according to present predictions.

The United States government report, which was issued late esterday afternoon, had very little effect marketwise, and it was enerally felt that the estimates were too low. Everyone in the grain rade has recognized that our government has better facilities for athering information than private individuals, and therefore their stimates of prospective yields should be accurate. At the same time here have been many cases on record when the final yield varied a reat deal from the June report. This is quite natural because on million acres now standing a variation of one bushel more or less ould make a difference of 50 million bushels in the final crop; and f course nobody can tell at this time whether the yields could not improved anywhere from one-half bushel to two bushels per acre in iew of the exceptional weather which we are experiencing. If one onsiders that during the last ten days nature has been so provident, d that the weather still remains ideal, we would rather look for ch better results than were indicated by yesterday's report. However, even a crop of 670 million bu for both spring and winter wheat, s indicated, would give us a moderate surplus for export.

Reports which were current this morning indicated that Kansas ight easily raise 80 million bu. The wheat berry is filling rapidly d the weather at the moment is cloudy and cool, so that on many rms where it appeared sometime ago that possibly only 8 bushels per re would be harvested, there is now a prospect of as much as 20 bu r acre --so we figure that the worst is known and from this time forrd considerable improvement will be shown.

Apparently the average trader reasoned the situation as we did, d our market opened hardly any higher this morning and certainly ttle excitement followed considering that the government's figures re way below those recently given out by the private experts.

There was no particular pressure on the market at any time, and a result the daily range was small, with the July future fluctuatg actually less than 1¢ per bushel.

The commercial stocks of wheat in the United States are now wn to 28,047,000 bu compared with 76,163,000 last year. Were it not r the fact that threshing operations in the Southwest will soon beme more important, we presume that there might be a better tone to e market, but anticipating additional hedges, and in view of the ther small speculative interest, there is no real leadership; conquently, constructive influences seem to be lacking. Primary reipts of wheat amounted to 386,000 bu, which was somewhat larger than st week, and compares with 432,000 bu last year. Stocks at Kansas ty, Duluth and Minneapolis so far this week show a total decrease of ,000 bushels.

The chief market influence, as we see it, is still the connuation of good weather. In the Southwest, rather warm temperatures e prevailing, and it is kind of muggy, and we continue to get fine ports. There is also talk of improvement in yields from many other aces, which is an offset to the comparatively bullish government gures published yesterday. In the Northwest, the condition is also ported, both officially andprivately, above normal; and further velopments from the growing sections now will be carefully watched.

Corn lost some of its advance attained yesterday; the nearby sitions were the strongest, despite the fact that a small cargo of gentine corn was destined for this market from Montreal. Premiums, wever, in the Southwest are pretty well maintained, and #2 yellow rn sold in Kansas City, out of store, at 93 to 94¢. With late anting in many sections it certainly becomes obvious that the ptember delivery must be an old-crop future; therefore the price in icago around 75¢ does not make the September corn here look too ar considering all the facts.

The prospect for a good oats crop is discouraging much new buyg, and this cereal also enjoyed only a moderate trade.

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June 12, 1935.

Liverpool wheat quotations were slightly lower this morning, ich was considered weak, as higher cables had been expected.

We believe that in addition to looking at prospective supplies om exporting countries, it is also very important to consider just w much wheat the European countries are unable to take due to anged conditions in the past ten years. First of all, one must preciate that the 27 European nations last year sowed an area to eat of about 12 million acres larger for spring and winter varieties an they did in 1923. On these additional 12 million acres, wheat oduction has increased upwards of possibly 200,000,000 bushels r year. Due to nationalistic and monetary policies abroad, one can longer figure on heavy import requirements for Europe. Since gust 1st, world shipments of wheat to Europe have totaled only 338 llion bu, or about 7 million bushels less than last year; and even ex-European countries the shipments were only 13 million bushels rger.

It is, therefore, quite in order to look ahead to see how little eat might be needed the coming year, and to scrutinize carefully me of the recent dispatches which show that official crop reports Italy, for example, are very good. In Germany, the crop prospects e reported above average, while in Poland and France, somewhat aller yields are indicated. The Danubian countries, look very pro- sing; and as stated by Sanford Evans, the Roumanian crop is now aced at 96 to 110 million bushels compared with 76 million bu a year o. The wheat crop in Hungary is forecast at 75 million bushels ainst 61 million in 1934. In Jugo Slavia droughty weather is not vorable for crops. On the whole we would hazard the opinion that, cording to present prospects, the European demands will probably t exceed those of the past year to any large extent. This naturally hooves every exporting country with a surplus to figure out a thod to best conquer an export outlet.

It is important to appreciate how much less the European de- nds might be than in former times. Stocks in Canada, despite a aller crop than last year, are about the same as they were in 1934; mely, 196 million bushels, which does not include grain either held farmers or in rail transit.

In our own country, the carryover on July 1st will be somewhat rger than those years just preceding the farm board policy; and even basis of the last pessimistic Government report, we should have a rplus from this year's crop, which, of course, will be a weight on e market unless a portion of our grain can be sold abroad. Last ar Canada had the advantage of owning practically the entire North erican market insofar as export trade was concerned, Because of r small crop we were not competitive, but this may change within e next few months, particularly as our price level is about in line th July wheat in Winnipeg.

Favorable reports continue to come to us from the growing ctions. There were further rains overnight in many places of Kansas, th clear weather following; and this must certainly mean that great provement has taken place since the Government figures were com- ed.

Primary receipts of wheat were 369,000 bushels compared with 1,000 last year. Shipments were larger than the arrivals, although ewhat less than a year ago. Stocks at Kansas City, Duluth and nneapolis so far this week show a decrease of 206,000 bushels.

From east Oklahoma this morning we had a message stating that ere might be as much as 25 bushels of wheat per acre threshed on e of the farms in that territory; and with the present weather some ple believe that Oklahoma might raise between 35 and 40 million shels. The southern part of the state is cutting already, and the rvest might be in full swing within ten or fifteen days.

In view of this news it is not surprising that prices were lower, l with only a limited speculative support, it took but a small volume liquidation to force the decline. Wheat futures made a new low on e crop, and this also affected other cereals.

We urge some caution after today's sharp break. If favorable ather continues, no doubt crops will be larger, and lower prices ld follow. On the other hand any decided change in spring wheat ctions might at least give us temporary reactions.

Corn in spite of a strong cash position was subjected to liquida- n, and the close was considerably lower. We believe that old-crop ures still have merit, but of course sympathetic declines are apt come from time to time if the leading cereal continues weak.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

June 13, 1935.

The bearish carry-over feeling was further accentuated this orning when Liverpool quotations virtually followed our full deline of yesterday. The fact that discouragement also set in amongst orn traders did not help the situation, with the result that openng prices in wheat were considerably lower.

There were quite a few showers in various sections of the outhwest overnight, and the weather this morning was generally loudy and cool, which was favorable for plant development, but will robably mean low protein content, as well as good yields. We had everal reports from Kansas where the wheat was actually testing 2 to 63 lbs., and of course high-test weight generally indicates ood yields per acre. Those who had made trips overnight in the erritory surrounding Chicago also came in with optimistic reports, nd the oats and corn around these sections are looking good. From he Northwest one of the large elevator interests claimed that the small rain crop had made satisfactory progress the past two weeks, but here has been no general rainfall, and that situation will bear close atching now as their season progresses. The prospects up there are ot quite so uniformly favorable as earlier, but still said to be xceptionally good over the greater part of the territory. Rain is eeded in those western sections where the soil is light; and in view f the fact that a good many spring wheat scares are still ahead, we ather look for a more two-sided market from this point on, at least, ntil the crop starts to move. At these lower levels should any cares develop, it would undoubtedly bring new buyers into the market.

We feel, however, that the improvement which has taken place n Oklahoma and Nebraska since the government report was compiled ill gradually mean large southwestern accumulations, and this may ave the tendency of forcing Kansas City to wider discounts under hicago. It also appears likely that the carrying charges in hicago between July and September wheat will widen, and we recommend hat spread, feeling confident that the later arrivals in this maret will bring more pressure upon the nearby month than deferred eliveries.

The open interest is at a fairly low point now, and therefore ome caution is necessary.

There seems to be no general change in the Canadian policy, nd July wheat at one time declined within a fraction of the pegged inimum which is being maintained in that market; but despite the reak during the past several days, we hear of no large export busiess, and if the present crop promise finds fulfillment, it still ooks as though prices in that country would have to meet export ompetition. It is quite true that the heavy pressure from the outhern Hemisphere has passed now, but with the European countries nticipating their own crops, they will probably buy sparingly until ative supplies are available.

Primary receipts of wheat today were 384,000 bu compared ith 655,000 bu last year, and shipments today amounted to 571,600 u, which was larger than for the corresponding period of 1934. So ar this week stocks at Kansas City, Duluth and Minneapolis show a et decrease of 628,000 bu.

We presume the visible supply for another three weeks will how decreases, but after that the increased movement should result n the filling up of elevators throughout the country.

Corn, as mentioned above, has lost some of its friends; and he fact that the decline in wheat had been so severe lent the beief that it might be difficult for corn values to be maintained as ong as this cereal was selling at about the same level as wheat. t the same time there was 165,000 bu of corn sold to go out of this arket, and with supplies decreasing, we still believe that deiveries on contract will be small. Therefore, the inherent situaion is very apt to bring about sharp reactions from time to time.

Oats and rye suffered with the other cereals, and some traders ook the view that the carrying charges would act as a handicap gainst bullish operations; and we presume this was also the motive hich prompted further liquidation.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

June 14, 1935

Despite the small cash demand abroad, Liverpool cables this
ning were comparatively firm, and apparently that market had follow-
Winnipeg more than Chicago. This is quite natural in view of the
t that we are not shippers of wheat abroad at the moment.

According to Broomhall, importers will continue to buy from hand
mouth until the Canadian situation is settled. The government, ac-
ding to his statement, admits being left with 225 million bu of old
at, and he figures tentatively that the new crop might yield an ad-
ional 350 to 375 million bu. Apparently no permanent policy has yet
n decided upon by the Canadian authorities, although today trade in
ust wheat was inaugurated, and also a minimum pegged price of 80¢
ablished for trading purposes. This we presume is to take care of
old wheat remaining in the country which is not all delivered on
y contracts; but the outside trade could scarcely be expected to en-
ge much, as values are already so close to the minimum allowable
ce. In view of the fact that ostensibly no sharp breaks can be ex-
ted in Canada for the next month or two, and also because of the
parative firmness abroad, our market displayed a better tone and
terday's very bearish sentiment was quickly replaced by a feeling
more security.

There is no change in the crop news generally, and threshing
rations, where they occur, are not only satisfactory, but indicate
bably better returns than had been expected some weeks ago. Never-
less it is generally recognized that our market has sustained such
rp declines that with any change in the character of the news, re-
ions might set in; and it was this technical rather than actual con-
ion which gave us a slightly better price level.

Showery weather in France has relieved a heat wave, and that
ntry will be an important factor this year, particularly if there
a surplus again above home requirements. We believe that France
experienced from her recent difficulties, and we doubt whether re-
ves will again be built up at the expense of forced liquidation at
e later period.

Not much is heard from Russia this year, but while they were ex-
iencing a serious drought a year ago, nothing as bad has occurred
s season; consequently the outlook is for an average yield on a
ge acreage.

Shipments of wheat from the Argentine were somewhat less than
t year and amounted to 3,047,000 bu, while those from Australia
unted to 1,666,000 bu. The pressure from the Southern Hemisphere
no longer an important factor, but nevertheless European requirements
being satisfied from a hand to mouth basis, as long as no scarcity
in sight.

Primary receipts of wheat were 379,000 bu compared with 632,000
last year. So far this week wheat stocks at Kansas City, Duluth
Minneapolis show a net decrease of 665,000 bu.

One of the features in our market consisted of unspreading opera-
ns between wheat and corn. It had become popular, particularly
ngst the local element, to stay long of corn and short of wheat
ause of the relative scarcity of the former cereal, as compared with
at, and this morning found quite a few unspreading operations which
ced a considerable quantity of July wheat futures back into the Pit.
s had the effect of weakening corn quite materially, as trade gen-
lly was extremely light. However, some reaction from the lowest
el occurred because of the fact that inherently the situation re-
ns sound; and visible stocks are only a small proportion of what
y were last year. Fluctuations in oats and rye were mostly in
pathy with those in wheat, recovery coming about largely because of
echnical pit situation.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

June 15, 1935

Liverpool closed just a shade higher and offered no incentive her way for trading purposes. Foreigners are still watching the adian situation very carefully; and as long as Winnipeg prices re- n firm, we presume that supplies in that country are tightly held, ch will mean that only the barest necessities will be purchased. ording to Sanford Evans the growth and general development of the tern grain crop have suffered very few setbacks since the opening the season. He claims that on few occasions at this stage of growth e the stands been so uniformly vigorous and free from serious damage. average precipitation for the three western provinces from April June 12 is as follows:

Manitoba - 4.81 inches
Saskatchewan - 3.70 "
Alberta - 4.18 "

is is considerably better than last year, and compares favorably h previous years, so the chances are that after two crop failures Canada, they should reap at least average yields.

The total stocks in Canada as of June 8 were in excess of 220 llion bu, including the stocks for human consumption for the balance this season. Therefore a much larger carry-over is indicated than icials had forecast some months back; and it will be interesting see what disposition will be made of this grain when a new crop is ilable. At the moment their July wheat is at a premium over Chica- and this suggests competition from the United States, which was the case last year.

In our own country there is very little news other than that ch we have mentioned in previous letters. Threshing reports are coming from Oklahoma in an entirely satisfactory manner, and this te should get a very good crop, many people talking 35 to 40 mil- n.bu. The flour demand has been poor for several weeks and remains et. With news of this character it is not easy to induce new culative commitments on the bull side, and with the lack of such dership some liquidating orders this morning carried the market o new low ground for the July and September deliveries. We think this point some caution is required, and we would watch the weather the Northwest. Up to this writing no important complaints have e from those districts, but if continued dry weather would prevail t week, we presume that this would be a factor in shaping further elopments. This is simply mentioned as a possibility and not as a obability; but in view of the severe declines of the last few weeks, market should become somewhat more two-sided, at least until a vier movement in the Southwest gets under way.

The weekly forecast suggests moisture with intermittent regu- ity for virtually all areas. It looks for some showers about Wed- day or Thursday of next week for the northern and central Great ins, with temperatures mostly normal.

Primary receipts of wheat amounted to 308,000 bu versus 554,000 last year. Stocks at Kansas City, Duluth and Minneapolis show a net rease for the week of 837,000 bu; and the visible supply on Monday l show a fairly heavy shrinkage, which is the usual occurrence at s time of the year.

Corn after early weakness had a rather substantial rally, and July delivery sold at about the same price as July wheat. It has n many years since anything of this character occurred, but of rse last year's small corn crop brought about this abnormal condi- n.

Rye and oats followed much the trend of other cereals and re- ed somewhat after yesterday's short covering. It is generally felt with these crops making satisfactory response to good weather, plies will be sufficient for all purposes, and if carrying-charges brought about, it will not be easy to bull these cereals.

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DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO June 17, 1935.

Liverpool was rather firm before our market opened, and no doubt te very light world's shipments were responsible for their market ation. It is very unusual that total shipments are less than 8 llion bu, but the decrease compared with last year was almost entrely from North America where shipments were 2 million bu less than a year ago, and we presume that the maintenance of high prices in nada act against any large export trade.

It was reported on the broad tape that the AAA was considering sbsidizing about 25 million bu of surplus soft white wheat from the cific northwest with the idea that this action will take care of te anticipated small wheat surplus as far as the government is conrned. The article claimed that officials were planning to handle is business through the means of the North Pacific Emergency Exrt Association, and we believe this news had a somewhat depressing fect upon Liverpool because their market finally closed with losses about 1/2¢ per bu. We are unable to get any further details of e proposed business, but the news has the effect of making traders mewhat more cautious, and apparently the government does not want ices in this country to fall too low even though we may have wheat er and above home requirements.

There were wide-spread rains over the weekend, the heaviest curring in sections where harvesting operations were almost ready begin. One or two places in Kansas reported as much as four inches rain which had fallen yesterday; but on the whole not much apprension was shown, except in a few cases where further moisture ght mean flood menace.

The visible supply of wheat showed another large shrinkage for e week and stocks decreased 2,207,000 bu; which brings the total wn to 25,076,000 bu, as compared with 73,029,000 bu a year ago, ich by the way was the lowest level reached.

We have already seen Chicago receive as much as 10 million bu new crop wheat during July, and we think this will be one of those ars.

We also expect that within a few weeks larger receipts will adually be registered at terminal markets; and therefore there is me liquidation still ahead.

It had been feared last week that the Northwest might be sufferg soon from lack of rainfall, but these fears were allayed this rning when numerous reports both from our Northwest and the Canadian rthwest claimed ample moisture over wide-spread districts. Under ese circumstances, it still appears as though the spring wheat rritories would turn out average or better crops on the present ospect, and this will be an important factor, particularly for Canada, view of the large quantities of old wheat which are being carried er from the 1934 season.

The visible supply of corn showed a very large decrease --slightl in excess of one million bu; and total stocks are down to 7,891,000 , which is 31 million bushels smaller than a year ago. This had the fect of creating quite a little bullish incentive in corn, and after d-session the market advanced very rapidly, the July delivery of is cereal going to a premium over July wheat. It also had a someat stimulating influence upon the entire market, and all grains revered from the low points of the day.

Primary receipts of corn were rather large today --627,000 bu rsus 535,000 in 1934. Nevertheless, a great many people still beeve that with no new corn coming on the market until about next vember, that there will be more or less of a tight situation for the mainder of the crop season.

The recent rains have helped greatly where seed is already in the ound, but some sections are complaining that the wet weather did not able them to get in a full acreage.

We feel that with only a fair amount of speculation it will be fficult to sustain bulges in wheat with the movement still ahead, and y time sharp rallies are recorded, such as were witnessed today, in mpathy with corn, it seems to us that sales can be made to advantage; t on the other hand, we would assume caution in covering such commitnts on sharp breaks.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

June 18, 1935.

The great strength which developed lately in corn prices undoubt-
dly was one of the main causes of the advance in wheat. However,
ther reasons were a contributing factor to changing sentiment after
heat futures had declined over twenty cents a bushel and had reached
lower level than had been experienced for quite a while.

The continuation of high Canadian prices, in spite of their
arge stocks and good crop prospects, caused European consumers and
illers to abstain from buying large quantities there; consequently
hey have to fill their needs with purchases from the southern hemis-
here where supplies have already been largely reduced. This causes
comparative scarcity for old wheat abroad, strengthening the futures
t Liverpool, which advanced again from one-half to over one cent
er bushel on the various futures. The strongest futures are the
earby ones, as it is assumed that later on this situation will change
nd that export countries as a whole will be able to furnish much
ore liberal supplies.

According to the last government report the yields in the United
tates promise to exceed those of last season by about 175 million
u. From present outlook Canada might easily raise from 75 to 100
illion bu more wheat than in 1934 with average weather, or much more
ith exceptionally favorable conditions; Russia's prospects are ex-
ellent on a largely increased acreage; the Balkan states, which had
oor crops last year, are promising much larger yields; and altogether
ussia and the Balkan states might raise 120 million bu more than in
934; so that we might have to contend, by way of comparison, with
ields in those large wheat-raising countries of about 400 million
u additional. In all probability France will raise less and so
ight Italy, but the deficiency in those countries will be comparative-
y small against the figures we have furnished above.

Under these circumstances we cannot look upon the world situa-
ion from a rosy point of view, and any strength in the United States
an only come from strictly domestic conditions. Unless the crop
urns out to be much larger than the last government estimate, our
urplus will be only moderate, and if the government should export
bout 25 million bu, either by subsidy or natural conditions, we
ould not have very much more to spare and remain on a domestic
asis as we have been the last season. This always on the assumption
hat next estimates will not be very much larger than the last ones.
nasmuch as the weather is extremely favorable in the Northwest, in-
reases might easily be the case; but we could not afford to suffer
ny more losses in the event of a wet harvest. With this in mind,
he very heavy rains which have taken place of late had a great
entimental influence; but we assume that up to the present, while
here might have been some delay in harvesting in the most advanced
ections of the country, no particular harm has been done, and it
s only the fear of a continuation of very wet weather which caused
ome short covering and new reinstatements of lines. According to
he latest weather prediction, the tendency of the weather is for
learing, although it may take forty-eight hours before the present
epression disappears entirely. Should there be new atmospheric
hanges, bringing about more rains, it would further delay the move-
ent of the new crop and also might damage the quality later on. As
t is, the crop is somewhat late, at least compared with last year,
ut as a general rule we do not receive wheat in commercial quantities
uch before July 10, when hedging sales might take place in earnest.

Primary receipts are smaller than last year --only 449,000 bu
ersus 568,000 bu in 1934, and stocks at Kansas City, Duluth and
inneapolis so far show a decrease of 92,000 bu. Inasmuch as the

(OVER)

visible supply has already been reduced to 25 million bu, any large inroads on stocks might temporarily strengthen the cash wheat, but should the weather be normal in the next two weeks, heavy increases would naturally follow and accumulations take place as they usually do starting the middle of July or before.

At the close the wheat market showed an advance of 1 5/8¢ per bushel.

Corn was decidedly the leader of all cereals today. The fact that Chicago elevator owners do not contemplate mixing any Argentine corn with the home-grown corn for contracts makes the situation for shorts more precarious than ever. The total visible supply in the United States is so small that there are only a very few points from which corn can be drawn to bring to this market. Primary receipts continue to be light --393,000 bu versus 557,000 last year, and the daily demand exceeds the supply. The May short had been able to draw heavily on United States corn which was stored in Canadian markets, but this quantity, which at one time was considerably over 5 million bushels, has now been reduced to 1,760,000 bushels; and it is by no means certain that this corn will not find better markets at places other than Chicago. Therefore, this situation must be considered as extremely tight. Of course, values, if too high, might finally bring about an abnormally low consumption; and thus adjust the situation. But, even with the smallest possible demand, it appears as if every bushel of corn would be wanted before another crop is harvested.

We feel entirely different on December corn, because with normal yields on the present acreage, we might raise a very large quantity; and considering the reduction in hogs and cattle, the outlook might be just the opposite from what it is now: namely, an overabundance then compared with the present scarcity.

At the close the corn market was 1 to 2¢ per bushel higher.

Oats and rye showed great strength in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

June 19, 1935.

Liverpool wheat cables were lower today, and the weather general
y was improved. There were no important rains in the Southwest with
e exception of Oklahoma, and the outlook is for more clearing con-
itions everywhere, including the corn belt. This caused a more
earish feeling and a great deal of the enthusiasm which had prevail-
l yesterday disappeared very quickly.

It is well to consider the world's situation as a whole and
t allow one's self to be influenced too much by local conditions.
e fact that most Liverpool futures from July to March are selling at
proximately 78¢, some a little higher and some a little lower, speaks
lumes. Inasmuch as England usually imports 40 per cent of all the
ropean requirements, its importance cannot be ignored. Their price
dicates that values in those countries which depend on exporting
eir surplus cannot realize high prices under the circumstances. It
quite true at the present time with Canada so far out of line that
e will supply only small quantities, where the contrary had been
pected, that the immediate cash situation is such that consumers
nnot be quite independent; but this of course would only last until
rope's own crops will be harvested, and when new competitors, such
Russia, the Balkan states and possibly the United States, will enter
e race with freer offerings.

Argentina's estimated exports are very light again this week,
204,000 bu versus 2,881,000 bu last year; and we anticipate that
rld's shipments will be extremely small, as Bradstreet gives clear-
ces for all North America as only 1,184,000 bu.

In this country we also have no great over-abundance of old
eat left, and the new crop is coming to market only very slowly.
ere is no question that it is from one to two weeks late compared
th last year; in consequence primary receipts today were only
5,999 bu against 962,000 bu last year, when much new wheat had al-
ady come on the market. This season it probably will take from
n to fourteen days until the various markets will receive new wheat
commercial quantities, but as the crop is very much larger than
1934, it is bound to come, and the hedging sales which will precede
will be an important factor before very long. Stocks at Kansas
ty, Duluth and Minneapolis show a decrease of only 38,000 bu so far
is week, and Monday probably will see the last decrease in the
sible supply for many months to come.

Searle Grain Company of Winnipeg gave a very flattering report
out the crop outlook in Canada, and while many changes may yet oc-
r before the wheat crop will be gathered, it is encouraging to know
at moisture conditions are very favorable, and only normal weather
required to bring about the best results. This, together with
ss anxiety on part of shorts to cover, also caused a good decline
Winnipeg.

The open interest in the various months for future deliveries
wheat does not vary very much and maintains itself at about 75
llion bushels. This shows that new buyers are still very scarce
d this fact is becoming rather important as the time is approach-
g very soon when they will be absolutely essential to maintain
e present level of prices as hedging sales come into the market in
rge quantities. In considering all this, we still feel, on the
sumption normal weather will prevail and not cause either deteriora-
on or undue delays in the movement of the new crop, that the tendency,
r the present, will be downward.

(OVER)

The old corn situation remains very strong from the demand and supply point of view. Receipts remain light at 370,000 bu, although they were somewhat larger than last year when they amounted to 257,0 bu. Stocks continue to decrease in the more important markets and th visible supply probably will show another decrease next week. Nevertheless, prices suffered a decline mostly in sympathy with wheat and also because of more favorable weather in the corn belt. This was pa ticularly the case in the western portions of the belt where higher temperatures and sufficient sunny days were favorable for the growth. Other territories are still suffering, particularly in the central ar where frequent rains have occurred and where it was impossible to accomplish much additional planting. However, the fact that there are less hogs and cattle in this country than there have been for many years will cause a largely decreased consumption when the new crop is available and is causing great bearishness in December corn.

Cash corn remains very strong, and high premiums are being mai tained for No. 2 yellow corn- about 4 1/2 to 5¢ over July.

At the close all futures were lower, particularly the new crop, but July and September corn recovered from their low points.

Oats and rye closed weaker today, it being recognized that cro in both cereals promise to be large, and there will be a plentiful s ply following the scarcity which existed this year, and which necess tated importations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO, June 20, 1935

Liverpool cables were rather indifferent today, some futures were
ifle higher, others a little lower. The average level is equal to
t 78¢ in our money, which is rather low and certainly discouraging
the exporters' point of view. As a matter of fact, merchants in
United States are not even in close touch with European importers,
idering it absolutely useless at the present time to try to do any
ign business.

Calculations now are being based for probable values according to
domestic situation, always bearing in mind, however, that after six
s of government activities in this cereal, wheat is still treated
elonging to an emergency period. Therefore, in the event crops
ld turn out better than expected and prices rule lower than desired,
s quite possible that wheat might be exported under subsidy; or
rnment agencies might again buy wheat futures to be exchanged for
r later on for relief purposes, as this also had been done before.
there exists the possibility, although this is not likely, that
ers might be able to borrow money on their holdings, should they
esire, as such privileges are being extended now on cotton, and no
t will be also granted on corn.

With these uncertainties, it is not absolutely safe to predict
our price level will have to decline to an export basis; otherwise,
ould appear very much as if prices might decline consideranly as
as the new crop movement starts in earnest. To show how much the
ment is behind, we wish to point out:

Wichita, Kansas receipts today were 34 cars vs 360 last year.
Hutchinson, " " " " 22 " " 3735 " "
Salina, " " " " 8 " " 54 " "

e discrepancies, we believe, will continue for several weeks more,
hich time last year the winter wheat movement had almost reached
peak, and this season it will be just beginning. It should not be
otten that the 1935 crop is much larger than the one harvested in
; and particularly later on the increased production in spring wheat
bout 140 million bu will be the main factor in determining the price
l.

At the moment the weather is playing an important part in forming
ions on part of traders and speculators. More showers had been
cast pretty generally, and while no serious harm has been done as
older traders cannot help remembering that once during every 10
0 years, rains continue unusually long, finally affecting the qual-
more than the quantity, but reducing the amount of contract wheat
delivery and causing great scares for the time being. There is
ing in sight, however, to anticipate such a result, it always being
great exception; but yet nervousness will continue to prevail until
et our customary summer weather, which would enable the farmer to
est his wheat in a normal way.

Primary receipts are extremely light when compared with last sea-
being only 348,000 bu versus 1,169,000. Stocks continue to de-
se much less than before, the total decrease for Kansas City, Du-
and Minneapolis so far this week being 169,000 bu.

The market registered great weakness at times but recovered from
low point, shorts getting very nervous at this level whenever more
s are reported. However, from all we can gather the crop continues
romise much better than looked for some time ago, although some dif-
with us. One report from Kansas today estimating the crop at about
illion bu started the advance from the low point. At the close the
et was 3/8 to 5/8¢ per bushel higher than yesterday.

The weather in the corn belt continues to be unfavorable, and sun-
e is badly needed. With showers predicted more or less during the
twenty-four hours, December corn showed reasonable strength. As
as the old corn is concerned, the situation is getting tighter al-
from day to day. Chicago received only 5 cars, and total primary
ipts were only 291,000 bu against 392,000 in 1934. The corn mar-
was only weak at times in sympathy with wheat, but it did not take
buying to create recoveries. At the close the market was on the
age about 1/2¢ per bushel higher.

Oats and rye showed no independence and both closed higher in
athy with wheat and corn.

UHLMANN GRAIN CO.

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CHICAGO MERCANTILE EX.

June 21, 1935.

Liverpool cables were strong again today, various futures ad-
ncing on an average about 1¢ a bushel. This is quite natural in
ew of the small exportations from those countries on which they
ly for their needs. Australia shipped only 919,000 bu compared
th 2,612,000 bu in 1934 for a parallel week, and out of that
6,000 bu went to non-European countries, leaving very little for
gland or continental Europe. Also Canada reports clearances for
e week ending June 14th of 782,000 bu against 3,859,000 the cor-
sponding week the year before.

Similar conditions probably will continue to exist for four
eks more, during which time foreign stocks will show decreases,
t this situation is not considered serious, because after that
rope's own harvests will gradually be ready for market, and England,
e largest importer, still has an eye on the Canadian situation.

Canadian wheat stocks on June 14th were about 4 million bu
rger than the corresponding period last year, being 196 million bu
mpared with 191,700,000 the same period last year. However, as the
rmers' movement is somewhat smaller than it was in the comparable
riod in 1934, this difference might be made up, but it still looks
ke a carryover of 190 million bu or more. With crop prospects in
nada extremely favorable, the probabilities are that Canada will
compelled to ship during the next season at least 100 million bu.
re wheat than during the past one. Wheat production in the three
stern Canadian provinces for the last four years was as follows:

YEAR	BUSHELS
1934	263,800,000
1933	263,004,000
1932	422,947,000
1931	301,181,000

ring three years it will be seen crops were very poor and this sea-
n's yields as promised now are more likely to be as they were in
32, or at least 75 to 100 million bu more than during the past
ason.

The world's visible supply of wheat on June 15th was 276 million
compared with 329million in 1934,or 53 million bu less. Virtually
l this decrease is to be registered in the United States, which had
million bu smaller quantities, other countries not varying a great
al by way of comparison. Considering the much larger anticipated
ops this season than last, the total supplies available appear very
ch larger in size than in the last season. Taking all this into
nsideration, and taking the long-trend view, there is nothing very
couraging for higher prices while the future world supply situation
ems so promising.

There were more rains reported in the Southwest where this ad-
itional moisture might interfere with harvest operations. Winter
eat is now about ten days late compared with a normal year,and re-
ipts therefore are extremely small by way of comparison with other
asons.

Wichita received only 19 cars today vs 411 previous year.
Hutchinson " " 52 " " " 367 " "
Salina " " 8 " " " 59 " "

owever, our weather man forecasts that within twenty-four or forty-
ight hours we shall have clearing weather. If this materializes,
nd with no further depressions afterwards, whenever the movement
tarts in earnest, it will come all at once from the various states:
amely, Oklahoma, Kansas, Nebraska, Illinois, Indiana and Missouri;
nd the effect of too much hedging all at one time might be particular-
y detrimental to the market. At the moment, of course, there is no
ressure of new-wheat hedges.

(Over)

Primary receipts were 328,000 bu against 1,394,600 a year ago. The demand is also very poor, millers being willing to wait until new wheat comes on the market. Stocks at Kansas City, Duluth and Minneapolis so far this week show only a small decrease of 273,000 bushels.

During the latter part of the session when the undertone of the market remained strong, and when Wall Street stocks showed sharp advances, a few of the more nervous shorts covered, which finally resulted in an advance of 5/8¢ per bushel compared with yesterday. Our own opinion is unchanged: namely, that the whole picture will change when the new crop starts to move and when wheat stocks will be accumulated.

The trade in corn was much lighter; and old-crop futures showe comparative weakness without any special reason. Receipts continue to be light ---Chicago receiving only 20 cars; there is more corn shipped out of public elevators than received, so that the amount available for delivery next Monday a week will probably be very small In fact, we doubt whether any corn will be delivered early as long a cash corn is bringing such premiums. Primary receipts total 278,000 bushels compared with 404,000 a year ago. The wet weather which has prevailed for so long in some parts of the corn belt will probably compel us to make a readjustment on the estimated acreage, which may be somewhat less than the earlier predictions.

Rye and oats improved slightly in sympathy with wheat.

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CHICAGO MERCHANTILE EX.

June 22, 1935.

Liverpool wheat cables today were quite strong and higher, t little attention was paid to same as the much more favorable ather in this country was more than an offset.

Weather has been mostly clear everywhere, and for the next 2 or 48 hours dry and warmer is expected, which will enable farmers t resume harvesting operations in the most advanced territories. A there is no reason to assume that our primary movement this year ll be smaller than last, it is easy to understand what we may ex- ct later on when we point out that Wichita, Hutchinson and lina received today 56 cars, whereas in 1934, parallel day, 879 rs were received. So, whatever is not shipped now will appear ter; and this, of course, is being discounted now. Therefore, a ak feeling prevailed right through the session, and at the close ere was a decline of 7/8¢ per bushel compared with yesterday.

Several countries in Europe expect smaller yields than a ar ago --such as Spain, where the crop is estimated to be 30 llion bushels less ; and Algeria might have 7 million bushels ss. However, in view of much larger prospective exports from ssia and the Balkan states, as well as Canada, the foreign situa- on is not very encouraging, and unless consumption, on account of wer prices,would be much increased all exporting countries will nd very keen competition among each other.

Primary wheat receipts continue to be extremely light --only 8,000 bushels versus 1,483,000 last year; and for the week the move- nt was 4 million bushels less than in 1934. However, we repeat again, this is not due to a deficiency in the size of the crop, but only cause there is a late harvest, it will all appear sometime later . To that extent hedging sales are bound to increase very heavily. der these circumstances we cannot look for improved prices unless ey should come from increased consumption through more animal eding or other causes which cannot be foreseen at the present time.

The open interest in July wheat is decreasing only slowly, d contracts for almost 27 million bu will still have to be evened gradually, as delivery day is only six more sessions ahead from day.

Stocks at Kansas City, Duluth and Minneapolis show a decrease to date of 331,000 bushels, which is much smaller than recently. look for only a moderate decrease in the visible supply next nday. It may be that this will be the last decrease, and from w until the close of navigation we may get gradual increases, the me as we do practically every year.

The corn market was weaker in sympathy with wheat and lack speculation. Primary receipts were very light, only 269,000 bu ainst 436,000 a year ago. The outlook is for another decrease in e visible supply on Monday, although stocks already are extremely all everywhere.

There was comparatively small interest shown in either oats rye.

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CHICAGO MERCHANTILE EX.

CHICAGO June 24, 1935.

Liverpool cables averaged about 1/2¢ lower, which is all the re remarkable as world's shipments were less than 8 million bu.com- red with about 10 1/2 million bu last year, and the amount on- ssage decreased to 28 million bu against 32 million a year ago.

Broomhall explains the lack of interest in cash wheat with e fact that everyone is awaiting the announcement of the new sell- g policy for Canada, after which time he expects a greater improved mand.

This is the last report on world's shipments for the past ason, new crop statistics starting on July 1, (next week). Strange say, total importations of all countries this year had been actly the same as the previous season --517 million bu. They ther increased or decreased; but there is a vast difference in quantities which the various exporters supplied. North America l way behind. This refers to the United States, as well as ada, and together they shipped about 57 million bu less than in 34. The Balkan countries and Russia also shipped very little com- red with 1934. Argentina, as well as Australia, and various ntries, such as France, supplied the deficiency of the others al- dy mentioned. The coming year we expect great changes again, and t the opposite: namely, Canada will be compelled to sell much ger quantities and dispose of her newly raised surplus whether or she wants to. Her carryover is already close to 200 million bu, is paying heavy carrying charges on same, and it cannot consistent- be increased again. The prospects in the Balkan states and Russia so favorable that they are likely to export a great deal more than illion bu, which they cleared this season, and 41 million bu the r before. Altogether unless the world's demands are much greater, ' million bu will be just a trifle to supply, and unless unforeseen astrophic deterioration takes place in the crop out-turn, it ap- rs as if the reduction in wheat stocks which had taken place ing the last two years will be at least partially offset by in- eases from this year's production.

The weather here was very favorable during the last 48 hours, while possibly there may be a few scattered showers in various ces, the long-time prediction leads us to believe that for the sent there are no indications for a wet harvest. This caused a e bearish feeling; the lowest prices were registered right after opening, after which time there was a fair recovery, partly in- ed by a stronger undertone in both corn and oats.

The visible supply decreased 948,000 bushels, and it has now n reduced to about 24 million bushels compared with 74 million in 34, or 50 million bushels less. It will take quite some time be- e the movement will assume such proportion so that the visible ply can grow to a more normal amount, as this quantity for all the ortant markets of this country certainly is not very large. mary receipts of wheat are still very small --557,000 bushels inst 2,523,000 last year, and is a clear indication of the light- s of the harvest this year. We expect, however, that within ten s to two weeks wheat will move in commercial quantities. There e more indications of legitimate hedging sales, particularly in Southwest, but they are not yet of sufficient volume to greatly in- ence the market. It appears to us, however, as if this would e very soon now.

At the close the wheat market showed a decline of 1/4 to 3/4¢ r bushel compared with Saturday.

The weather was construed as rather unfavorable for corn, warmer is greatly desired, and temperatures are comparatively cool the time of the year.

Primary corn receipts were 566,000 bushels against 505,000 a r ago. There was another decrease in the visible supply of 277,000 . Total supplies at visible points are now only 7,614,000 bushels, reas they were 37,490,000 bu in 1934. It is quite evident that er the circumstances deliveries for July contracts early in the th can at best be only very small, but we doubt very much whether ere will be any until the high premiums which are still being paid r cash corn have disappeared.

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CHICAGO MERCHANTILE EX.

CHICAGO June 25, 1935.

Liverpool cables showed weakness today; their futures closing somewhat lower than yesterday. For the present, however, less attention is being paid to the international situation which is considered rather discouraging; but our own markets are mostly influenced by domestic events. This, we believe, will continue to be the case until through greater accumulations a larger surplus at terminal markets will be created.

At the present time stocks at visible points are comparatively small, and therefore hedges are down to what probably will be the lowest point for sometime. The visible supply of wheat at all reporting points is only a little over 24 million bu --less than one-third of the amount in 1934; and Chicago stocks had been reduced last week over 300,000 bu, and are now 2,785,000 bu. This also includes some low grade feed wheat, which is not deliverable on contracts; further, some very choice wheat which is bringing big premiums. So at best deliveries for July contracts could not possibly be large until they are augmented by arrivals of wheat from the new crop.

Owing to the fact that the new crop is exceptionally late, and that harvesting has been further delayed on account of late rains, the pressure of hedging sales on a large commercial scale is quite insignificant. For this reason the present and prospective weather is such a large influence at the moment. There are fair prospects for dry weather in the Southwest now; weather indications are for more showers in Illinois, Indiana and Ohio for tonight and early Wednesday, after which the prospects are for clearing. There will be no harm through delayed movement provided rains will stop in time so that the quality of the wheat will not suffer. As an indication of the lateness of the movement, we wish to point out that Wichita, Hutchinson and Salina received today only 32 cars compared with 719 last year.

Primary wheat receipts were only 374,000 bu compared with ,372,000 in 1934, but shipments are also very light --only 284,000 bushels versus 918,000 last year. Stocks at Kansas City, Duluth and Minneapolis show a small increase of 8,000 bushels so far this week. t is quite evident that consumers have made sufficient provision for their immediate needs, and they can well afford to wait for their requirements until larger quantities of the new crop are available.

There is a waiting tendency all over the world; in Europe, t is due to better crop prospects in Russia than last year; Rumania is looking for about 103 million bushels versus 77 million bushels in 934; Hungary and Italy both promise to produce larger yields than he previous season. Probably the outturn in Europe will be some-here between the very heavy yields of two years ago, and the lighter nes of last year.

At the close of the session the wheat market showed a decline f 5/8¢ per bushel.

Trade in old-crop futures of corn is rather light; the isible supply is extremely small, and Chicago, which has more corn han any other terminal market, has only 2,435,000 bushels; the week efore it had 500,000 bushels more, showing that it has been drawn pon very heavily. New daily arrivals are hardly sufficient for ocal consumption, and any shipping demand would make further inroads n the small supplies. We believe that deliveries next week will be ery light. Stocks at Bay ports, which had been a threat to the bull or many months, have been reduced now to 1,358,000 bushels, whereas hey had been 5 or 6 million bushels a short while ago; last week lone they were reduced by over 400,000 bushels.

(OVER)

There is more confidence at the present time in the new-crop future - December corn - as the weather in many places is rather unfavorable for best development of the plant. However, later on it ma turn out that the moisture we are receiving now may have been a blessing in disguise. Today is usually c onsidered as the period on which to accumulate corn in view of prospective hot weather; however, this season, on the contrary, we are looking for more sunshine, which so far has not been forthcoming.

At the close the corn market was 1/4¢ per bushel lower for the nearby futures, and unchanged for the deferred ones.

Trade in oats and rye was very limited with insignificant fluctuations.

Foreign exchanges are keeping strong, and French gold is nearer an import than an export basis. However, conditions in that country are still so uncertain that there is no reliance in the permanency of the presdnt gold standard. It has to be seen first whether governmental expenditures are to be reduced sufficiently, and the budget be balanced before entire confidence will be restored. In the meantime the world's silver markets show declines almost daily of late, and there was another sharp break at Montreal today. The present world's price of silver is about 10 per cent lower than the price being paid at our mint here for this newly mined metal. It now appears as if th United States would have to continue to make larger purchases of silver abroad orelse further declines might take place, as the other countries do not appear anxious either to go to bimetalism, or buy this metal in exchange of gold. At the present time this is not considered serious enough to affect commodity prices, but one can never tell when it might become a factor again, as it has been before.

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June 26, 1935

Cables were lower again today, but the weather was distinctly avorable for both wheat harvesting and finishing corn planting. view of the long time prediction, the trade had not assumed that re would be as much precipitation as took place. During the last nty-four hours showers and thunderstorms have been quite general r Kansas and eastern Nebraska, which again delays wheat harvest- ; and also over Iowa, Missouri and Illinois where corn is getting ate start. Temperatures continue about seasonable, but the pre- tion is for further precipitation in both the wheat and corn ts.

As far as wheat is concerned, we doubt whether much damage has n done as yet to the quantity to be raised, but undoubtedly the lity will be hurt; and if rains should continue for any long iod it finally might also affect the ultimate yields, although a general rule the winter wheat crop at this time is about made. ething very exceptional in the way of continued rains only could nge the picture.

It must be taken into consideration, however, that July and ust are as a rule the driest months of the year, and ordinarily e damage is done from too much heat after this period than any- ng else.

Shorts became very nervous and covered freely. In view of the y bearish world situation, commitments on that side had been quite vy, and the advance came very suddenly and quickly.

At the close the market showed an advance of 1 1/2¢ per bushel pared with yesterday.

Droughty weather is continuing in both Argentina and Australia. the season there compares with ours of about December, there be- six months difference, it appears as though it might become too e to plant full acreages of wheat, and we therefore look for a uction in the Southern Hemisphere. So far Europe remains entire- indifferent to this situation, having her eyes glued on Canada m where she feels sure of receiving very plentiful supplies the ing season. The statement of wheat stocks in Canada on June 21, 5, showed about 196 million bushels compared with 190 million in 4. In both cases stocks in farmers' hands were not included. As re are only about five to six weeks left from that period until new statistical year begins in Canada, it appears very much as ugh our previous estimate of a carryover of about 190 million hels or possibly more will be justified.

Primary receipts of wheat were very light by way of comparison last year, amounting to only 425,000 bushels while in 1934 ,31,000 bushels were received. Nevertheless, stocks at Kansas y, Duluth and Minneapolis show a decrease of only 232,000 bushels far this week. Millers are still holding off and seem to cover ir requirements only when they are needed. The fact there are e suits as to the constitutionality of the processing tax is like- to prevent them at the present time from laying in large supplies, hough in case of an adverse decision there is the possibility t some of the paid tax might be refunded.

The corn market was independently strong on account of the con- uation of wet weather. It was also helped by the great strength wheat and by the strong statistical cash situation. Primary re- pts were very light again, being 385,000 bushels. The demand was good, so it looks like a continuance of excess shipments daily r the receipts, leaving very little to spare when the time comes deliveries. In the meantime cash premiums are also holding ong, No. 2 yellow corn bringing about 4 1/2¢ over the July future. ember corn was particularly strong, fears being entertained that ight become too late to plant full acreage.

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CHICAGO MERCHANTILE EX.

CHICAGO June 27, 1935.

Liverpool cables were virtually unchanged today, some futures being lower, others a little higher.

Europe still assumes a waiting attitude, figuring that the European crop prospects, together with the outlook in the exporting countries, are such that liberal wheat supplies will be on hand beore long. This despite the fact that at the present time offerngs from the Southern Hemisphere are small. Both Argentina and ustralia not only have reduced their supplus a great deal, having hipped very heavily regardless of short crops, but also are holding ack more or less on account of the present drought conditions which xist in the Southern Hemisphere. Argentine shipments this week ere estimated to be only 2,939,000 bu compared with 3,738,000 bu. ast year, while Black sea clearances were 328,000 bu against 64,000 u the past season. Altogether we expect that world's shipments next onday will again be quite small, as North American contributions are xpected to be very light also.

Weather is now favorable in France, but expectations are for a much smaller crop than last year; however, with a big carryover as n offset, it is not likely that she will be an importer, as she was n former seasons.

The turn of the scale, however, will come from Canada. Not only are the moisture conditions in that country well above last year, but they are also greater than the ten-year average; and it is asy to imagine that she might raise 100 million bu more than the previous season --in fact, there is a possibility of a bumper crop. In that case that country alone theoretically, using her big carryover, could in case of need supply almost 75 per cent of all the requirements of the importing countries, or say about 350 to 400 illion bu.

Under these circumstances our price level would still be too high if figured on a world's basis, and can only be maintained if we remain on a domestic level. To accomplish this result the spring wheat crop would have to deteriorate from now on, or any surplus raised this season would have to be exported through subsidy. At the present time the outlook in the Northwest is so propitious that one of the leading grain merchants, The Van Dusen Harrington Co., reports that it has been many years since the Northwest has had so favorable a prospect for a crop the last of June. They also claim that farmers view their situation with an optimism unknown during the last years of the drought cycle. The weather is also shaping itself more favorably for harvesting in the winter wheat belt. With few exceptions the Southwest had dry weather during the last twentyfour hours, and the forecast is, with the exception of western Kansas, that rains may be absent for another day, which is as far as they make predictions ahead.

This improvement caused a more bearish feeling because it is only due to the late harvest that receipts keep abnormally light. Today again receipts at Wichita, Hutchinson and Salina are only 68 cars versus 724 in 1934. All this discrepancy will be made up sooner or later, because despite some pessimistic reports as to the yields in Kansas, the total crops in Oklahoma, Kansas and Nebraska will be very much greater than they were last season; and with Missouri also likely to become a heavy shipper before long, later on receipts in the Southwestern markets might become very large and hedging sales in commercial quantities will have to be absorbed.

(OVER)

As we pointed out in our yesterday's market letter, the uncerta ty of the processing tax will prevent millers and large consumers fro laying in heavy stocks until this question is decided. Today a temporary order was issued against the AAA statute by a federal judge in Texas, which stopped the federal tax officials from collecting or attempting to collect the AAA processing tax on wheat. Of course this does not decide the question finally. Many other suits are pending and until everyone knows how he stands, it is not likely that heavy consumers will lay in large supplies of wheat, pay the processing tax and then take chances as to whether or not, in case of an adverse decision, they would be refunded. Naturally hand to mouth buying would be temporarily against the wheat price, although if finally the processing tax would be abolished, so that the consumer would have cheap er bread, it would be bullish and increase the consumption. No definite decision can be rendered until the Supreme Court will be in session again after October.

Primary receipts of wheat today were small, being 322,000 bu co pared with 1,939,000 a year ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 229,000 bu.

Both shorts and longs in July wheat are very stubborn, and the open interest last night was still 22 million bu, with only two sessi after today before delivery day. We believe there will be moderate deliveries right on the first of the month-- possibly from 500,000 to 750,000 bu, but they will increase later on when the new wheat comes on the market.

At the close the wheat market showed a decline of 1/4¢ per bu. compared with yesterday's final figure.

Corn was also influenced by the more favorable weather, but mor sunshine and dryness is needed for the best development of the plant. Primary corn receipts were only 366,000 bu, which while somewhat larg than last year, when they were 281,000 bu, is still very small, as it will hardly be sufficient for daily consumption. The outlook is for a further decrease in the visible supply next Monday.

The close of the corn market showed a decline of 3/8¢ per bushe

Oats and rye were influenced by the other cereals, and both closed lower.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

June 28, 1935

Liverpool cables were mostly lower today, particularly the near-
y futures. There was some widening in the carrying charges which
ut the March wheat a trifle higher than it was yesterday.

Both Argentine and Australian shipments for the week are smaller
han last year and together they cleared about 1,600,000 bu less.
rought continues in the Southern Hemisphere. Rains in Australia were
oo light to have any material effect and more moisture is needed.
owever, foreigners assume that with additional exports which they
xpect this year from the Balkan states and Russia, as well as from
anada, there will be plenty of supplies from the exporting countries
o furnish the importing countries their requirements. They also
eason that they will continue to be independent of the United States
or their needs, as they were last year.

Here the weather overnight was again very unfavorable. Harvest-
ng in winter wheat sections in the Southwest is making slow pro-
ress and unless dry weather sets in soon, quality no doubt will be
eriously affected. It is still questionable whether much damage has
een done as yet to the yields, but fears are entertained that a con-
inuation of rains might finally also affect the quantity to be har-
ested.

Under these circumstances a higher market was to be expected,
ut the extreme strength can only be explained through other ad-
itional factors. Short covering took place on a very extensive scale
fter the market had started its upward trend, and after that the
rop killers controlled the situation. In other words, a reason had
o be found for the great strength, and reports were circulated which,
owever, will probably lose their effect as soon as forty-eight hours
f dry weather sets in, with plenty of sunshine. Among these, we wish
o mention that somebody discovered rust in Nebraska, although this
isease very seldom attacks the winter wheat, and is more prevalent
n the spring wheat territory. The great strength at Minneapolis led
o reports that rust was discovered in North Dakota. Inasmuch as it
s very early in the season for rust to develop, this should also be
egarded with caution.

As far as our opinion is concerned, we feel that this is a
eather market and they are always more or less hysterical, and have
o run their course. Whenever the change comes traders will remember
gain that most Liverpool futures are selling in the neighborhood of
7¢, our December wheat at 88¢, which, if we were trading in May wheat,
ould make that future about 92¢. Therefore, they might look very
igh later on unless much more damage will occur than is apparent at
he present time. Spring wheat prospects are almost perfect, and they
ould hardly improve, so some deterioration is expected. Yet even if
ome does take place the final yields are bound to compare favorably
ith only 91 million bu raised in 1934. A fair estimate today would
till be above 250 million bu.

At the close of the session our wheat market showed an advance
ompared with yesterday of 4 3/4¢ per bushel.

Minneapolis was even stronger than we, so also were the southwest
arkets, but the Canadian futures, which are more affected by foreign
onsiderations, advanced only moderately by way of comparison.

There was no attention paid to statistics today; nevertheless it
s quite evident that the delayed movement, and consequently the lack
f hedging sales, had its effect. Wichita, Hutchinson and Salina re-
eived only 59 cars compared with 714 cars last year. The total
rimary receipts were only 460,000 bushels versus 2,315,000 parallel
ay a year ago. Therefore, it is well to keep in mind that some day,
hen weather permits, just the reverse will take place and we shall
ave very heavy receipts against the lighter ones of 1934 later in
he month.

The corn market followed only very reluctantly. The chief reason
as that the spread of selling wheat and buying corn had been very
opular, so when wheat became strong lots of these spreads were
iquidated and the selling of corn was very poorly absorbed.

At the close the corn market showed a moderate advance of 1 1/4¢
er bushel for the nearby futures and 2 1/2¢ per bushel for the de-
erred one.

Rye and oats sympathised with the other cereals and closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

June 29, 1935.

The same hysteria which characterized our market yesterday
apparently not shared by traders abroad, and quotations at Liver-
l lagged considerably in today's session. In the meantime they
some opportunity to analyze our sharp advance.

The rather vague reports of rust in connection with the spring
at crop lacked confirmation, and in fact many of the houses in
se sections sent denials claiming that the crop was making good
dway and it was far too early to even discuss the question of rust
all. This being the case, our first quotations were lower. It
eared that some of the excitement had quieted down overnight, and
er yesterday's short covering movement there was less anxiety for
chases this morning.

When the official weather forecast was released it suggested
wers over the corn belt but not so much in the Southwest, and this
in brought some buying into the market; although we would say
m the weekly forecast that outside of showers which will probably
ur the first part of the week, clearing weather should set in and
refore permit harvesting operations to continue.

One of the crop experts released the June-end report suggesting
ombined winter and spring wheat crop of only 651 million bu. This
its effect but some believe that the other reporters will be more
imistic in their estimates next week.

Outside of the United States the general wheat situation is not
h changed. Crops continue extremely well in Canada and the average
cipitation from April 1 to June 26 for the three western provinces
h comparisions with other years are as follows:

	This year	Last year	10 yr. aver. April 1 to June 30
Manitoba	7.04	3.97	5.95
Saskatchewan	5.71	4.33	5.21
Alberta	6.27	5.11	6.12

Canada, with her great problem of big carryover and prospective-
Large crop, has not advanced nearly as much as we have during the
t two sessions; in fact, today her quotations were actually lower.

Today's reports from Nebraska were very encouraging. This is
of the sections where it was intimated yesterday that rust might
st, but inasmuch as some people now claim yields from 25 to 40 bu
the acre in places, we believe that within the next week or so when
eshing starts this will be the all-important feature.

The primary wheat receipts today were small as compared with
year due to our season being so late --they amounted to 411,000 bu
le a year ago they were 2,473,000 bu. Stocks at Kansas City,
uth and Minneapolis show a net decrease of 483,000 bu so far this
k, foreshadowing a small decrease in the visible supply next Monday.

The only corn future which was strong was the December delivery.
s was due to the fact that the crop is backward, and some planting
not possible on account of heavy rains. One estimate given out
ay was for a crop slightly in excess of 2 billion bu; and we hear
n our friends that while the crop is slow, it is coming along very
ckly now. We have no doubt but that with good weather there is no
at danger.

Oats and rye are looking well, and of course the recent moisture
uld mean finally large yields.

On the whole we believe that sentiment can change just as quick-
backward as it changed forward on yesterday. A few days of sunshine
heavy receipts will make the picture look entirely different, and
s seems to be the possibility during the coming week.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 1st, 1935.

Rust news dominated the market today. It is, therefore, well refresh one's memory as to what happened in previous periods where eat damage was done by this disease. We have to go back so many ars that necessarily it is difficult to accurately describe the tuations then, and we have to rely somewhat on memory besides atistics which are available. For the first time the disease was cognized as such in 1904, and so little was known about it that t much attention was paid to it until the month of August when the tual damage was realized. In that year the acreage was 17,209,000 res, and the crop finally turned out to be 219 million bu --exactly e same quantity as one of our crop experts estimates spring wheat elds this season, although we are inclined to think acreage willbe newhat larger. Even in 1904 there finally was a great deal of dis-ssion whether the damage through black rust was really so great, whether blight was the chief cause of the smaller yields. Ever nce, farmers, traders and crop experts have been watching for black st yearly, and there hardly was an exception when at one time or other black rust was not reported and existed somewhere in the ring wheat states; but usually actual damage was only trifling.

There was one exception, however, in the year 1916 when the acre ceage also was 17,670,000 acres, much the same as we expect this sea-, and where the final yield was 155 million bu. In that year the y prospects were still excellent, but the final crop turned out be extremely small; so it is very plain that much damage occurs y about once every fifteen years or so; and in fact, probably 1916 the only year where great damage was done, as the 1904 crop was still sonable.

As far asdamage to the winter wheat is concerned, it has never n of any importance and doesn't look as if it could make much dif-ence this season, being confined to one state, and even there the rp is so far advanced that actual reduction can at best be only ll. The fact remains, however, that there is at least one record n prospects at first of July were excellent and when the final out-n of the crop was way below average: namely, 1916. The natural con-sion, although odds are against it, is that the finest prospects in spring wheat territory at this time of the year, while very en-raging, do not positively assure a large crop. Weather conditions, well as other developments in the spring wheat sections will be ched very closely from now on.

In case the worst will not happen, then much attention will be in paid to the foreign situation. Liverpool was quite weak today, ng unchanged for the July delivery, and about 5/8¢ per bushel lower an average for the more deferred futures. With their December wheat 79 1/8, the closing price, our December is practically 10¢ per bu her; therefore export business is absolutely out of line, and it ld take very heavy subsidies to consummate any.

Our wheat market early was lower owing to much better harvest- weather than was anticipated. There are quite a good many places the Southwest now which have had little rain during the last forty-ht hours, and with much fair weather predicted, harvesting will soon mence. This is very important, as the advance of practically 10¢ bushel from the low point would not have been likely had it not n for the favorable pit conditions, owing to the small amount in the ble supply and the small movement.

The visible supply decreased again today 1,631,000 bushels, and now been reduced to 22 1/2 million bu, or 55 million less than in when it was 77,800,000 bu. This is by far the smallest visible long period and had been ignored right along, as it was expected ; increases from now on would be rapid; this has not materialized ng to the late harvest. Receipts at Wichita, Hutchinson and Salina only 92 cars today compared with 698 cars a year ago, but the pros-s are more propitious now that within a week or ten days there be a liberal movement; and coming from so many states all at one hedging sales finally might be sufficient to offset speculative umulations.

(OVER)

Deliveries of wheat were very light. This, however, was expected and the open interest in July wheat had decreased Saturday to 12,513,0 bu, and nothing but an orderly liquidation for the remaining open contracts is expected.

Primary receipts were only 783,000 bu against 3,743,000 a year ago, when the crop was supposed to be smaller. It clearly shows what will happen later on when weather conditions permit a free movement.

At the close of the session, wheat while showing a decline of more than 1¢ per bushel from the highest point, still was fully 2¢ higher than on Saturday.

Corn did not share in the excitment in wheat; in fact, most futures were lower, as traders are doing the opposite of what they did a short time ago; they are now buying wheat and selling corn, feeling that weather conditions are shaping themselves more favorably to bette development of the corn which has been planted. Primary receipts were only 564,000 bu versus 630,000 bu last year. The visible supply shows an increase of 82,000 bu whereas there was a decrease the previous season of 2,139,000 bu. However, stocks of corn are extremely small, ther were hardly any deliveries, being only 1,000 bu; and we think that every bushel of old corn will be wanted before the season is over.

Rye was somewhat higher. There was more pressure in the nearby future of oats, closing somewhat lower, while the deferred ones increased in value.

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DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

July 2, 1935.

All attention is centered now on the weather, as this is rather
critical period in the spring wheat territory, and the final out-
me of the crop will very largely determine the price during the
xt twelve months. The weather in the Southwest is only important
sofar as dryness is needed for harvesting, and as the crop is al-
ady unusually late. Any further delay in threshing operations would
event accumulations such as we ordinarily have, and with no hedging
les of any importance it momentarily creates a very tight situation.
rticularly so, as the visible supply is one of the smallest in re-
nt periods.

Weather overnight was rather mixed, but in the main favorable.
imatic conditions in the Southwest are ideal for harvesting, and if
ey continue, and predictions are that they will do so, we shall soon
perience a very heavy movement in that territory and corresponding-
large hedging sales. The outlook in the spring wheat section up
date is almost perfect, but as great damage was done once during
last thirty years after this period through black rust, continuous
ins and high temperatures, the trade becomes scared very easily
enever similar conditions exist for a day.

Therefore, a very heavy rain in North Dakota, with rather high
peratures caused some concern, but in studying the weather map very
osely this was confined only to parts of North Dakota, while
nnesota and South Dakota had no precipitation, with average tem-
eratures for this time of the year. We, ourselves, see nothing alarm-
g in the outlook; and there is about one chance out of fifteen that
favorable conditions such as existed in 1916 will be repeated this
ar.

Four private experts came out with their estimates today, and
of them were higher than the one circulated on Saturday. The
rage of the five is about 707 million bushels for both winter and
ing wheat combined. Considering that they vary from 651 million
738 million it shows very plainly how difficult it is to determine
this time just what the prospects are. Taking the average, every-
y will concede that we shall be on an export basis; our consump-
n is not likely to be over 625 to 650 million bushels, with a
ryover of close to 180 million bu. In other words, we shall deal
h a quantity of about 890 million bu, which in no way makes us
ependent of the balance of the world.

We, therefore, must keep an eye on what is going on in other ex-
ting and importing countries. As far as the latter is concerned,
is too early to make any predictions about the Southern Hemisphere
ept that owing to bad weather conditions probably the acreage will
reduced and rain is badly needed. However, Canada will make up
all that and more, as the present outlook is for a crop of from
to 120 million bushels larger than the one in 1934. Since last
ust Canada has cleared only 155 million bushels of wheat, and in
er not to increase her stocks again she would easily have to export
ing this coming year 100 million bu/more--or 255 million bu; and even
h that, a large carryover would remain a great burden on the market.
order to correct the unwieldy accumulations she really ought to ex-
t about 350 million bushels, and even then she would still have a
r's supply on hand for home consumption. The importing countries
well posted on this situation and are only buying from hand to
th; and it will take an entirely different outlook for them to
ge their policy.

(OVER)

March wheat at Liverpool is selling at about 78 1/2¢;and when that period arrives it will have to compare to our May wheat, which, if we were trading in that future, would probably sell at about 93¢ based on present December prices. So instead of our market being about 15¢ per bushel lower than Liverpool for that delivery, which it should be normally, it would actually be 15¢ per bushel higher.

In the meantime receipts continue to be extremely light and Wichita, Hutchinson and Salina received today only 44 cars compared with 245 last year; Ft. Worth received 18 cars compared with 364. Primary receipts were 459,000 bu vs 1,857,000 previous season; and stocks at Kansas City, Duluth and Minneapolis so far this week increased only 101,000 bu, while increases in 1934 parallel period were very considerable. We assume, therefore, that it will take a week or ten days of favorable weather for this extraordinary situation to be corrected; then we look for a lower level of prices, unless crop deterioration should take place in the meantime.

The crop experts are all agreed that the corn crop has a poor start, and we should say the outlook at the present time is for a small crop of about 2,200,000,000 bu. However, when it is considered that hogs consume about forty per cent of all the corn which is grown, and their number has decreased probably to the lowest level in about thirty or forty years, it can easily be seen that even such a small crop might become a burden. This particularly so as all forage crops are very promising and many substitutes can be used this year, which situation did not exist the previous season. Everybody is agreed on a tremendous oats crop. Barley will be plentiful and rye will be raised in sufficient quantities to satisfy all consumers.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 3, 1935

Lower Liverpool wheat cables gave us a weaker opening this morn-
However, as the session progressed domestic influences again be-
paramount. While the weather in the main was favorable, the trade
ins apprehensive, and probably will continue in that mood until the
ng wheat crop results can be more positively determined. Rather
temperatures prevailed yesterday in parts of North Dakota, but
er weather is looked for.

There are still scattered reports about the probability of black
, although at the present time it is more a fear than an actuality.
Southwest reports only little precipitation at isolated places, with
rable weather predicted, but the harvest is late, and receipts keep
ery light. There are some signs of their increasing: Wichita, re-
ed today 100 cars; Hutchinson, 95; and Enid, 281, which is more than
been received so far on this crop. However, compared with other
s the pressure is extremely small, and hedging sales so far are of
onsequence. The primary movement was 650,000 bu-- also somewhat
ter than heretofore, but still insignificant. No comparison can be
with last year when there was a holiday.

The Agricultural Department gave out its report on the rust
ation, which is rather optimistic. It is claimed that this disease
more prevalent than at the same period during the average year.
lso is pointed out that the eradication of barberry bushes, the
rmediate host of grain rust, is materially reducing the number of
l sources of stem rust in the spring wheat states. Nevertheless
l there is more assurance that there will be no spread of this
ase, any unfavorable weather would cause more or less excitement.

With all this, the open interest in wheat has not increased
and is still at almost the low point, being less than 71 million
All this goes to show that speculators are very careful, and that
out outside interest, it will become more difficult to absorb
es later on. It is nothing unusual for the visible supply to in-
se around 50 million bu more from the low point to its maximum,
icularly so if there is no export business. Should this occur this
it will require a great deal more investment buying we believe to
tain the present level of prices.

The extreme strength at Kansas City, the most important market
e Southwest, also influenced sentiment at times a great deal and
ed to bring about various advances from the low point during the
on. Kansas City received only 84,000 bu of wheat and shipped
same quantity, showing that the arrivals are not sufficient for
local consumption and the shipping demand. Stocks therefore con-
e to decrease and for two days they have been reduced by 189,000
We are still of the belief that this is only a temporary situation.
yday brings us nearer to the harvest and the crop is large enough
ustify our anticipating that the movement to terminal markets ought
e at least as big as it was last year. Consequently gradual com-
sons ought to be more favorable, as all the deficiency in receipts
date has to be made up later. At the close, after many fluctua-
s, there was a decline of 1/4¢ per bushel compared with yesterday,
Kansas City had advanced 1 1/2¢ per bushel.

(over)

In Canada a great deal of legislation is contemplated to facilitate the handling of the new crop when it comes to market. Unti more is known about the final bill, as discussions are still going on it is difficult to come to any positive conclusions. The present intention is to establish a minimum price for the farmer and let the exchanges function. Whatever is contemplated, however, it should never be forgotten that no matter what is intended, the sellers alone cannot make a market. It is well enough to establish minimum prices, but you have to find buyers also; therefore probably as conditions require changes new regulations will likely take place from time to time. Much will depend upon the outcome of the crop but if present prospects materialize, it will be a rather difficult task to handle all the surplus which is being raised, plus the large carryover.

Corn receipts continue to be light, the total primary receipts being only 235,000 bu. No comparison can be made with last year when there was a holiday, but last week they were considerably larger 385,000 bu, and the movement is hardly big enough to take care of the daily demand. There were more rains in the corn belt, but the feeling on December corn is rather bearish on the assumption that next year's consumption will be greatly curtailed with the small amount of animals in the country.

Oats were lower and the large size of the new crop will soon be felt. Rye was just a trifle lower, and not much interest in that cereal is being shown at the present time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 5, 1935.

The Canadian government has given another economic lesson he world --again a demonstration of the fact that certain fixed s may not be defied. Following the experiences of coffee, rubber sundry other commodities, a penalty will have to be paid for ing kept wheat levels in that country on an artificial basis for ong period. A new bill has now passed in their House and is being ated in their Senate. Full details are not yet known, but it is ected that the outcome will be the abandonment of the past policy that from now on efforts will be made to market the new crop at ld levels. Whether the peg will be taken off on the old wheat and ther the accumulated supplies will have to be carried over until time as they can be liquidated will depend much upon situations they will arise later. An idea still prevails that a minimum e will be fixed for the farmer. Sanford Evans reports that wheat conditions in the three provinces for the past week were satis- tory to very good, and the present outlook is still for yields of t 375 million bu, which together with 200 million bu carried over, es a total quantity of 575 million bu. It will be difficult to the bulk of the 465 million bu which will be available after de- ing about 110 million bu for home consumption.

As was to be expected, Liverpool, in view of the large avail- shipments which she may obtain from Canada later on, was very and the futures declined about 4 1/4¢ per bushel. The July re is selling at only 71 1/4¢, and therefore all those countries h are depending upon export business have to adjust their prices ordingly.

In the meantime Argentina is still shipping very freely, week virtually as much as last year --3,161,000 bu, and the ble supply, while much smaller than in 1934, still amounts to al- 14 million bu. Australian exports show considerable falling off, g only 937,000 bu compared with 1,667,000 the previous year.

The weather here during the last forty-eight hours was very rable, inasmuch as dryness prevailed in the Southwest where har- ing is now going on and is not hindered any further. Temperatures moderate over the Northwest and predictions for the next twenty- hours are also propitious.

There is a slight increase in the movement, Wichita receiv- 212 cars for the two days versus 126 for one day last year; hinson 178 cars versus 118; and Enid 474 cars, which makes it e likely that the movement to terminal markets, particularly as City, will be materially larger in a short time, and that stocks begin to increase instead of decrease, as they have been doing ntly.

The primary movement so far still makes a poor comparison last year, being only 998,000 bu for two days versus 2,288,000 934, but with warm, dry weather much is likely to be made up before . Kansas City stocks are still decreasing, but they are offset uluth and Minneapolis increases. We do not look for much of a de- se in the visible supply next Monday.

Total importations into this country from July 1934 to June , as officially given, are something quite extraordinary, and thing which has never happened before in our history, as follows:

Wheat	23,590,000 bushels
Corn	14,296,000 "
Oats	14,790,000 "
Rye	10,430,000 "
Barley	11,332,000 "
TOTAL-	74,438,000 bushels

(over)

As the season progressed it became clearer in the mind of everybody that as far as the foreign situation is concerned it is extremely distressing. Since it is conceded that the United States will have a moderate surplus, unless a calamity befalls the spring wheat crop from now on, there are only two possibilities which we can see. Either this country will have to sell at a price at which the wheat can be exported, in which case, it would mean much further declines, or else our Government agencies will have to imitate the Canadian example and buy the surplus in the hope that at some future time better markets will exist. We hardly think it is likely that there will be any Government interference until a level very much lower than the present one will be reached. So as long as favorable weather continues we look for still lower prices.

At the close in practically every market futures declined the full limit which is permitted in one day.

The weather for corn was also very favorable, and it sympath s-ed with the decline in wheat to a moderate extent. However, receipts here were only 11 cars; and about 165,000 bu were sold from this market, so that we may reasonably look for a further decrease in stocks. We do not see how there can be any heavy deliveries on July contracts As a matter of fact, hardly any deliveries have taken place as yet. So the old corn futures, which are different from the new ones, are still in a very strong position.

Oats and rye suffered in sympathy with the other cereals, an with the knowledge that prospective crops are very large and will soo be a heavy weight on the market.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 6, 1935.

Liverpool futures declined 2 1/4 to 3 1/4 cents per bushel over
ht. Possibly they are too panicky, although we are fully cognizant
t the threat of Canada becoming a liberal seller of their wheat
ing the next twelve months is a distinct menace to the market.
question, however, arises whether the price for their July wheat
67 1/2¢ does not discount a great deal. It should not be over-
ked that this includes freight and all charges, leaving mighty
r returns for the farmers of exporting countries.

On the other hand, daily it becomes more apparent that world
at supplies are likely to be most abundant during the 1935-36
iod. The only improvement that has taken place is the reduction
he visible supply which, on June 29th of this year, was approximate-
267 million bu compared with 332 million the year before, or 65
ion bu. less. Apparently the whole reduction came from the United
tes, as our visible supply is 55 million bu smaller than the pre-
ing year. There are a great many offsets however, namely: Roumania
estimates her crop 103 million bu versus 77 million last year;
y, 266 million versus 233 million in 1934; Canadian prospects are
about 100 million bu additional, and the United States will raise
siderably more than last year. Therefore, even assuming that
ntina and Australia will have smaller acreages and a poorer out-
, the total amount of bushels which will probably be raised the
d over will be far in excess of the prospective demand. Then too
o not hear of a single complaint from Russia; and the only hope
hat with the world's very low prices, and an increasing population
e, possibly she will not become an active exporter.

As far as the United States is concerned, from the present
ook, total supplies including the carryover will be at a minimum
50 million bu with an approximate consumption of 610 million bu,
h will provide 240 million bu for carryover and exports, thus
ing a great burden on the market at all times.

Weather was all that could be wished for during the last
ty-four hours, and the long-time weekly prediction is also very
rable. If this materializes, we expect gradual increases in
ing sales during the next week or ten days and it will be ab-
tely necessary for new buyers to step in to absorb them or else
ill be difficult to keep the market at the present level. It is
e true that millers' stocks are extremely small; but with the
rtainty whether or not the processing tax will be declared un-
titutional, the tendency will continue for both millers and final
umers to buy only very sparingly, while in a normal year, at a
onable price level, millers and bakers frequently supply their
s quite a bit in advance.

Receipts are showing some improvement, Wichita, Hutchinson
Salina having received 250 cars today compared with 317 last year.

Primary wheat receipts were only 546,000 bu compared with
1,000 in 1934. During the whole week all primary markets re-
ed only 3,436,000 bu against 13,761,000 last year. Nobody pays
attention to these statistics at the present time, as with the
er crop sooner or later the wheat movement, which had been delayed,
become all the greater at the proper time.

At the close the wheat market showed a decline of 2 3/4¢ per
; and to our great regret we can hold out no great prospects for
ovement in prices at present, as we are just on the eve of heavy
ing sales.

Corn receipts were so light that we are more than ever con-
ed in our often expressed opinion that the farmer evidently needs
bushel he has not shipped to feed his animals. Arrivals here
only 9 cars, and the total primary receipts were 172,000 bu vs
000 a year ago. With these small supplies which are offered, it
wonder premiums advanced; and as high as 6¢ over the July future
paid for #2 yellow corn. Under these circumstances, this cereal
not sympathize with the decline in wheat, and closed actually
er. December corn profited somewhat from the strength in the old
futures, but with the fine weather and the outlook improving it
not make much headway. The situation will be radically changed
the new crop comes on the market.

Rye followed its sister cereal on the sharp decline; oats
r somewhat lower, but only moderately so.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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UHLMANN GRAIN COMPANY
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141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 8, 1935

Liverpool cables showed a distinct improvement today, various utures advancing from 7/8 to 1 5/8¢ per bushel compared with losing prices of Saturday.

World shipments continue to remain very small, total 7,102,000 ushels compared with 8,505,000 bushels last year when they were lso very light. North America contributed only 1,780,000 bushels ompared with 3,182,000 bushels last year. Under the circumtances, naturally the amount on passage is decreasing right along nd is now only 24 million bushels compared with almost 33 million ast year, practically three weeks' supplies, and it is unquestionble that before long European stocks will have to be replenished. owever, England, the chief importer, is so thoroughly impressed ith the idea that the holding policy of Canada is removed for a ong time, and that they are sure of substantial quantities of good heat at fair prices, even though the Southern Hemisphere results ater on would prove to be unsatisfactory.

It is assumed that the Canadian government is still holding bout 228 million bushels of wheat and will sell whenever possible ithout demoralizing the international market; but yet as there ill soon be a new election, another government might adopt a ifferent policy. Therefore, many uncertainties will exist for long time. In the long run we presume that as wheat is grown o be sold, whoever will be in power later on will feel the ecessity of disposing of at least the new crop surplus, and this ill make it difficult for world markets to recover unless somehing unforeseen should happen.

Weather here during the past forty-eight hours continued to e favorable both for harvesting of winter wheat and for the best evelopment of the plant in the spring wheat territory. Nevereless, fears of black rust continue, and inasmuch as at least ice during the last thirty years the spring wheat crop deeriorated even after this date when prospects were as promising s now, these fears will not entirely disappear until we are nearr the harvest. In the meantime, however, there is no actual amage reported in spring wheat territory; in fact it would be oo early, and as far as damage in winter wheat is concerned, is so exceptional that we think it may be ignored as a market ctor.

Wheat movement in the territory tributary to Chicago is ractically nil as far as the new crop is concerned, and may take nother ten days until it becomes more important. In the Southst there is some improvement, and receipts at Wichita, Hutchinson d Salina slightly exceeded those of last year, being 429 cars mpared with 412 cars in 1934. The total primary receipts ill remain extremely small by comparison, being 818,000 bushels rsus 3,172,000 bushels parallel period in 1934.

The visible supply increased only 173,000 bushels, while the icrease last year was 8,215,000 bushels, and the total now is ly about one-fourth of last year, viz., 22,600,000 bushels comred with 86 million bushels in 1934.

It must of course always be remembered that the great pressure is year can only come when spring wheat is moving, and this ar's crop is still estimated to be at least 230 million bushels mpared with 91 million bushels last season.

Feeling in general was a little more friendly, as it is not nsidered safe to assume a too pessimistic price view until we e quite sure that the spring wheat crop will not suffer any rious setbacks. The probability remains that the Northwest op will be a large one, in which case we would have to go to

(OVER)

an export basis which would mean a very low level of prices until government support should change the picture.

At the close the market showed an advance of 1 3/4¢ per bushel.

Old corn futures remained strong. There was again a decrease in the Visible Supply, although it was very small, only 64,000 bushels. Total stocks are now only 7,632,000 bushels compared with 34,313,000 in 1934. Chicago stocks decreased 52,000 bushels and are now 2,237,000 bushels. The open interest in July corn was in excess of 10 million bushels last Saturday; and No 2 yellow corn is bringing 6 cents premium. There is practically no movement to this market and it will be difficult to fill the sales unless the longs should conclude to sell and realize their profits. The total primary movement was only 185,000 bushels compared with 560,000 bushels last year. As far as the new crop future is concerned, it is an entirely different proposition because if the present crop matures, instead of there being a scarcity, there will be a great plenty.

Oats and rye closed higher in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO, July 9, 1935

Liverpool cables showed small changes overnight, but after they re-
ed our strong opening their market advanced rapidly, the final close
2 1/4¢ to 3 7/8¢ higher than yesterday's close. The sharpest ad-
was in July wheat which closed at 72 1/4¢, and which is still an
ordinarily low price when it is considered that it includes freight
ther charges from the exporting countries. There is comparatively
e enthusiasm abroad although they have lost their panicky feeling
are rather hopeful that the Canadian crop will be moved in an or-
way and not thrown on the market regardless of price.

Weather here overnight was very favorable. There was little rain
he Southwest where it would interfere with harvesting. They had
precipitation in the Northwest, with comparatively cool tempera-
. However, private experts flooded the market with rust reports [illegible]
ere rather pessimistic in the expression of their views, claiming
the danger is great for further spreading. As a general rule the
hwestern elevator concerns are less alarmed and it is still any-
guess as to further developments of the rust. In order for black
to do its worst it requires continued hot temperatures, with mug-
eather, and of course no one is in a position to predict whether
will come or not. Inasmuch as we virtually had black rust scares
year since this disease was discovered in 1904, and as many times
e only little damage had been done, great caution is necessary
e accepting actual prospective damage as a fact. But this might
he one exceptional year where real harm might be done, therefore
uncertainties will continue for the next few weeks.

Our market continued to be strong all during the session; and a
her incentive for buying was the fact that the new crop movement
ill way behind other years when crops of similar size were harvest-
verything being easily from one to two weeks late. This is parti-
ly the case in the Southwest and would not have been as noticeable
our carry-over of old stocks been normal; but the supplies have
nk to a very low point. Millers are dependent for their supplies
new arrivals and are paying big premiums for same. There are also
reports that the Southwest crop has turned out worse than was re-
y expected. We shall know more about that tomorrow after the
nment comes out with its figures. We believe, however, unless
is a very material change in the government's estimates as com-
with those of the private experts, or of their own of last month,
it will not be much of a market factor. The trade will continue
tch the outcome of the spring wheat crop and the weather.

Primary receipts were only 481,000 bu versus 2,273,000 bu last year.
was a slight increase in the movement in Kansas at interior points,
ta, Hutchinson and Salina receiving 244 cars against 166 cars last
. Stocks at Kansas City, Duluth and Minneapolis show an increase
8,000 bu so far for this week.

The close was extremely strong, market closing at the absolute
the final upturn being 4 1/8¢ per bushel.

Tomorrow's market will depend entirely upon the rust news and
her. Everything else for the time will be more or less ignored.

The corn weather was favorable and December corn profited very
e from the advance in wheat. There was fair strength in the old
futures. Receipts in Chicago were only 8 cars and the movement is
ght that it is difficult to see who will make any deliveries, par-
arly as the new arrivals are still bringing big premiums. It is
ted that 100,000 bu of corn were sold out of store at 3¢ over.
were also about 75,000 bu of warehouse receipts cancelled and it
ars as if our Chicago stocks at least would be reduced to a mini-
and we do not see how they can be replenished before another crop
een harvested.

Oats and rye followed indifferently during the greater part of
ession, but finally when wheat became so very strong they sym-
zed with it and both closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 10, 1935

Liverpool cables were very weak before our session opened; but
recovered somewhat during the day, the close still being 1/8 to
ence lower; however, owing to weakness in the dollar, the decline
erican money was 3/8 to 1 1/8 cents.

The reason for the recent weakness of our dollar is not due to
urther fears of depreciation of our currency, but largely owing to heavy
ases of silver abroad, which necessitates the buying of sterling
nge. We seem to have quite a problem on hand if this policy
ntinued, as it is reported that our purchases of silver abroad
g the last week amounted to practically one year's production of
r in the United States.

There was little attention paid, however, to any foreign news as
inal outcome of our spring wheat crop is so all important that
occurrences seem trivial by comparison. This is easily under-
able, as we had figured right along on combined winter and spring
s exceeding our home consumption; and should a disaster befall
pring wheat crop so that the excess surplus would be wiped out,
uld again be on a domestic basis for the third year in succession,
ich case we would have to pay little attention to the low prices
exist abroad and in other exporting countries.

The crop is so very late this year that even at this advanced
d receipts are very light and from the threshing returns so far
ved it is surmised that the results even in the winter wheat belt
ot as satisfactory as had been anticipated. It is, therefore,
ble that the government report which will come out after the close
r session today might be somewhat bullish.

On the other hand, the weather is extremely favorable now for
sting in the Southwest as well as in the soft winter wheat belt.
e Northwest the weather is also mainly favorable, temperatures
quite seasonable with prospects that weather will be generally
ing; the rainfall up to date has been better than normal and
cient for the best development of the crop.

The Southwestern receipts at interior points are increasing and
of same ought to show soon at terminal points. At Wichita,
inson and Salina there were 463 cars compared with 214 in 1934.
primary movement is still very insignificant being 585,000
ls versus 1,818,000 parallel day last year, and more than one-half
is quantity was unloaded at Wichita, 315,000 bushels, showing
ittle all the other points together must have received.

Rust reports continue to come from the same territory where this
se was discovered previously. There are no claims as yet of any
damage to amount to anything, but fears exist and will continue
the danger is entirely removed. The next ten days to two weeks
ecide the question; and as long as no one can predict whether we
have favorable or unfavorable weather in the meantime, an accurate
ast as to the ultimate value of wheat futures is difficult at the
.

The stronger market today was Kansas City where the advance was
reater than here, and not only did their futures gain consider-
ut also cash premiums were relatively 1/2 to 2 1/2 cents higher
hout the Southwest. This, of course, is all likely to change
freer movement.

At the close our market showed an advance of 3/8¢ a bushel com-
with yesterday.

There was no excitement in any of the other cereals. The oat
s progressing nicely, and this cereal remains comparatively weak.
orn remains in a strong position, but for the present the futures
t influenced much by it. No 2 yellow corn is still selling at
6 1/2 cents over July. Stocks in public elevators are less
ne million bushels with prospects of a large decrease this week
reat many receipts have been cancelled.

DAILY MARKET LETTER

MEMBERS:
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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 11, 1935

The government report, which was given to the public yesterday
ernoon after our session closed, was a distinct surprise to the
le. For the last ten or twenty days it was difficult to obtain
imistic opinions about the progress of the winter wheat crop, and
nany cases it was claimed that threshing returns were poorer than
icipated. We ourselves always had in mind that it is more
icult to judge this kind of a crop than ordinarily, as the yields
some of the States, particularly Kansas, varied so much in some
nties from others. Even today opinions differ very much whether
not the estimates of the government for the Southwest will be
ually realized, and it is assumed there will be some reductions in
next report. The spring wheat crop estimate also exceeded all
ctations.

For the present, however, the majority of traders will agree
the Agricultural Department after all has better sources of in-
ation than anybody else, and they will base their calculations on
figures as given, namely, 731 million bushels for the combined
er and spring wheat crops. With a carryover of approximately 170
lion bushels, we would deal with a total quantity of 900 million
els and an estimated consumption of 620 million bushels for the
ng year. Inasmuch as feedstuffs are likely to be very plentiful,
s generally surmised that less wheat will be fed than during the
year; so that from whatever point of view one wishes to look at
situation, there will be a large amount of wheat left above do-
ic requirements for carryover and export.

The weather in the Southwest is now highly favorable for harvest-
There was again a great deal of moisture in the Northwest with
diness in parts which would be rather favorable for development
lack rust; but this contingency is somewhat modified as tempera-
s are quite normal and there is no great heat anywhere. We figure
even though the spring wheat crop might be reduced 30 million
els, there would be 700 million bushels left; which amount would
oo much of a burden without any export demand. We have thoroughly
ined the records of 1916,which was the great black rust year,and
ind that temperatures were extremely high then; in fact, the high-
in about twenty-six years. As nothing of this sort has occurred
ar, we doubt whether we need fear a repetition of anything so
re in deterioration as took place in 1916.

Liverpool also considered our government report as very bearish
their market closed 1 1/2 to 2¢ lower than yesterday. However,
have also been influenced by the excellent crop report from Canada.
ow looks as though that country might raise 100 million bushels
than in 1934. Altogether the world is likely to raise 3 to 400
on bushels more than last year, and consequently no high prices
n sight for world markets.

After an extreme decline early in the session, many reports
from the Southwest claiming that final yields will not be up to
tations. High premiums are still being paid in the Southwest for
ash wheat. Receipts remain comparatively light, primary re-
s being only 751,000 bu compared with 2,170,000 bu last year.
s so far this week show an increase of only 463,000 bu. For the
time, however, larger quantities of wheat were worked for Chicago,
145,000 bushels, and this might be the beginning of a greater
ent for here. Should this materialize, we believe December is
r the best purchase, and believe September will sell at a much
r discount under December later on.

The corn report was somewhat less than expected; but in view of
ery fine weather during the last ten days, no doubt much improve-
has taken place.

Oats and rye closed lower in view of the very large yields which
xpected.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 12, 1935

Foreigners did not enthuse very much over our late wheat
turn yesterday after their session had closed. Prices for the Liver-
ol futures were considerably lower than due. At the close there was
et advance over the previous day of only 1/8¢ to 1/2¢ . When one
siders that the July delivery is selling at only 70 1/8¢, it is
tainly quite discouraging.

The Southern Hemisphere is still furnishing very fair quantities.
stralia shipped more than last year, 2,541,000 bu versus 2,003,000
in 1934. Argentina shipped only 2,314,000 bu compared with
536,000 bu the parallel week last season. It is the disappointing
pments from the Argentine which added to the strength of the En-
sh markets, but yet they remain rather indifferent to new purchases
view of the wonderful crop prospects in Canada. The outlook in
Southern Hemisphere is not very favorable, owing to the very dry
ther. There will be a reduced acreage in the Argentine, and there
an insufficient amount of moisture at the present time in Austra-
.

Little attention was being paid here to the foreign news, as the
ther almost for the first day in a long while was practically per-
t, both in the Southwest for harvesting, and in the Northwest for
aying somewhat the fears of black rust. Consequently, we had a
y weak opening, but there was a moderate improvement during the
sion, the close, however, being nearly 2¢ per bushel lower than
terday at the low point of the day.

We think the action of the market can easily be explained, des-
e the very much larger crop of wheat than last year. On basis of
ernment figures, the primary movement from July 1 up to date was
y 6,573,000 bu against 25,262,000 bu last year. It is quite plain
t this deficiency will be made up sooner or later and had it not
n for the late harvest we would have that many more hedges to di-
t. As it is the open interest in wheat is close to 70 million bu,
h only a little over 22 million bu in the visible supply; there-
e it is inconceivable to have very much pressure at the present
e until this situation changes. It is true whenever the news is
y bearish some traders are tempted to sell some wheat ahead, but
the slightest fears they cover it and there is not the regular
ance wheel which ordinarily exists. This in our opinion will be
rected whenever the wheat movement increases and the first signs
think are at hand. Today some of the interior points such as
hita, Hutchinson and Salina received 404 cars compared with 219
s last year; and Chicago for the first day this year received a
erate quantity of new wheat, about 37 cars.

The total primary receipts, however, continue to be light, only
,000 bu against 2,084,000 bu last year. Stocks at terminal points
increasing only very slowly, so far this week only 429,000 bu
Kansas City, Duluth and Minneapolis.

Our international business in grains is so small at the present
e that very little attention is being paid to foreign exchange,
yet we believe this matter should never be lost sight of as it
ht become an important factor at any time. It is almost four
rs since England went off the gold standard and in the meantime
y little has been done to bring about stabilization. French ex-
nge is showing a little more weakness of late; Italy's finances
in bad shape; Germany pretends to be on a gold basis, but her
etary system is so complicated and her debt is increasing so fast
t anything might happen out of a clear sky. This, however, will
y affect us should the crops turn out so that we should become
exporter again of cereals.

(over)

The wire systems still keep busy with rust reports from the Northwest, but they had not the same effect on sentiment in view of the more favorable weather. Our own weather man believes that the prospects are for very favorable weather in the Northwest, even over Sunday, and if this should materialize we think that the great rust scares will soon be forgotten, at least from the point of view that a moderate damage could easily take place - and yet we might not have to change our figures for a spring wheat crop of 273 million bushels very materially, inasmuch as the par value will be raised on the government report so the condition report would go down considerably without affecting the result. It also should be borne in mind that durum wheat is not very susceptible to rust and they are likely to produce 37 million bushels. Also there are about 46 million bushels of spring wheat raised mostly on the Pacific coast, outside of the four spring wheat states: the Dakotas, Minnesota and Montana, so that we might raise almost as much spring wheat exclusive of these four states as the whole production in 1934, which was only 91 million bushels.

Corn receipts continue to be extremely light, total primaries being only 200,000 bu versus 429,000 last year. The total open interest in July corn is still 9 million bu and decreased only 217,000 bu yesterday. Cash corn is still bringing a big premium; No 2 yellow corn is selling for 4 1/2¢ to 5¢ over the July. Under these circumstances we can see no reason for any decline in the old crop futures.

Rye and oats declined in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
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MEMBERS:
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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 13, 1935

Renewed weakness at Liverpool carried the July future below the ent level and even March wheat, with the added carrying charge, is ing at only 71 3/8 cents. It is quite apparent that speculators ot derive much inspiration from abroad. The fact that European s are also about ready for harvest makes buyers rather indifferent, as appreciate that native supplies will soon be pressing on their ets.

The overnight weather showed a few rains in the winter wheat belt, generally clear. In the Northwest temperatures were almost ideal no precipitation. Therefore, it was quite generally felt that climate was not propitious for the spread of rust, particularly as nights have been cool and breezy. The market had become over-bought ecent sessions, and with the short interest pretty well eliminated, ook only a small amount of selling to bring about declines.

In studying the government report on winter wheat which was issued days ago, it now appears that the abandoned acreage is 2.2 per less than the government had figured it on June 1st, and the area ing for harvest is 892,000 acres increase over what had been ex- ed a month ago, and this accounts for 13 million bushels of the in- se which was added to the June report. There are still people who n that the winter wheat crop is over-estimated, and possibly the government report will make some correction after harvesting ations progress further. However, with the crop in Kansas down 7 million bushels, which is only one-half of a normal crop, it ds to reason that not very optimistic reports should be expected the harvest fields. It must also be borne in mind that as com- d with a normal year we are not doing any export business at the ent time and, therefore, the bulk of hedges must be absorbed in a stic way. Millers and other users are confining their purchases most bare necessities because of the processing taxes which are disputed in court. This, we understand, will not be finally led until next October when the Supreme Court will hold hearings.

Kansas City was again a feature in our weakness, and their futures ined more severely than did Chicago. While Kansas City September sold at a large premium over Chicago, as was the case a few days the milling business in that territory naturally was confined to y small area, and we believe that competition is bringing about a al adjustment which follows their delayed harvest.

Premiums in the Southwest declined about 2 cents compared with rday. With the movement enlarging, this was not particularly rising as they had been so strong of late.

The weekly weather forecast was construed as quite favorable. ally fair weather is expected for practically all sections the part of the week and some local showers later with seasonal ratures followed by warmer toward the end of the week.

Primary receipts of wheat today were 862,000 bu compared with ,000 bu last year. It is quite apparent that the backlog thus n the crop will be made up sooner or later, and therefore the s which have not yet made their appearance will undoubtedly come the market with only a limited speculative support, as evidenced e fact that the open interest in wheat remains around the 70 on bushel mark.

Stocks at Duluth, Minneapolis and Kansas City show a net increase 7,000 bushels, and by next week the increase should be consider- larger.

Corn was quite firm during the entire session. The old crop ion remains strong. More corn was sold to go out of Chicago than ooked to arrive. There is still a large open interest in the future and it seems to be maintaining itself at 7 cents over mber, which shows that there is not much likelihood of deliver- nless the situation changes quite rapidly.

Oats and rye were influenced by the weakness of the leading l, although trade in the latter cereals was rather small.

DAILY MARKET LETTER

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 15, 1935

Liverpool cables were very strong today and they closed from 1 3/4
o 2 3/8¢ higher than on Saturday. The strongest future was the near-
one - July -, which can be easily explained, owing to the small
ld's shipments, amounting to only about 7 1/2 million bu compared
n almost 10 million bu in 1934 parallel week. The amount on-passage
also been reduced to a little over 20 million bu versus 33 million
previous year, and this is extraordinarily small. Evidently Europe
so sure about larger Canadian offerings soon that they seem perfect-
willing to let their stocks run down to the lowest possible minimum,
feel with a new crop coming to market that they need have no fear
not being able to get their requirements later on to good advantage.

We understand the council of the Winnipeg Grain Exchange is getting
dy to formulate its plans for futures trading in wheat. A general
ting of the members has been called for Tuesday, July 16. Undoubt-
y some decisions will be made then. However, whatever conclusions
arrived at first, we have little doubt that the grain board which
been created by action of the Canadian Parliament, as well as the
ange, will have to be guided from time to time by world's wheat
itions as they develop. The problem is an exceedingly difficult
.

As of July 6, according to Sanford Evans, there was still left
export 211 million bu compared with 215 million bu last year, and
the Canadian price level is still too high to permit large clear-
es, we doubt whether this available quantity will be reduced below
million bu by August 1, their new crop year.

During the last week North America cleared only 1,590,000 bu
inst 3,700,000 bu in 1934. There must be fair quantities of wheat
t in farmers' hands, as the deliveries for the week ending July 12
e still 2,905,000 bu.

It is yet a little too early to predict with any accuracy this
r's Canadian crop, but considering the excellent moisture conditions,
believe a fair estimate would be for 350 million bu, which might have
be increased or decreased according to weather conditions. On that
is Canada would have a quantity available with the carry-over of
million bu, and with estimated consumption of 110 million bu, would
ve for export and carry-over 440 million bu. Now it is not likely
t European requirements this year will be more than in past sea-
s. According to official figures Canada exported, including flour,
y about:

154	million	bu	for	11	months	1934-35
195	"	"	"	12	"	1933-34
265	"	"	"	"	"	1932-33
207	"	"	"	"	"	1931-32

sequently, from all prospects only a very moderate quantity can be
d abroad and the balance will have to be carried into next season.

Our opening was somewhat influenced by the firmer tone abroad,
more so by predictions of hotter weather in the spring wheat terri-
y. While conditions had been ideal both in the Northwest and South-
t, as well as the soft wheat belt, for the last forty-eight hours,
fact that the trade is prepared for a black rust scare, the higher
peratures predicted had a great sentimental effect, and prices for
future deliveries advanced rapidly. During the session more re-
ts about black rust came from the investigating crop experts, and
le these were not sensational, yet they put everyone on his guard.

The movement in the Southwest is steadily increasing and receipts
interior points, Wichita, Hutchinson and Salina were 638 cars com-
ed with 312 cars last year. For the first time also a greater ar-
al of cars showed up at Kansas City, 321 cars, but nevertheless pre-
ms in that market advanced and the strength at Kansas City was also
timulating factor to our market. There is still no balance wheel,
hedging sales so far being inconsequential; but we believe that
n now on and lasting for several months, they will continue to in-
ase and that finally there is likely to be an accumulation in the
ible supply of an additional 50 million bu, which will be hedged
will have to be absorbed by new speculative buyers. It is this
t that makes us rather cautious, considering there is nothing sure
that the black rust damage, which is being feared now, will de-
p to such an extent that the final spring wheat crop will be cut
erially.

(over)

Primary receipts are still light, 1,299,000 bushels versus 2,792,000 buahels last year. We believe when the Nebraska wheat starts moving, which ought to be some time next week, comparisons from then on will be favorable, as far as the movement is concerned, and after the spring wheat is harvested, receipts are likely to exceed those of 1934 by enormous amounts, with a total crop estimate so far in this country of over 200 million bushels more than the year before. The visible supply showed an increase of 615,000 bushels against 9,635,000 bushels last year, and the total now is only a little over 23 million bushels compared with 95 million bushels the previous season. It is this small amount which is in sight at the present time that gives us the sharp fluctuations. At the close wheat showed an advance of 2 1/2 cents per bushel compared with Saturday.

The situation in corn is a very much stronger one, as it will take so much longer before another crop can come to the market, and with the small amount left in farmers' hands, it would be unreasonable to expect good receipts at any time. Primary receipts were only 365,000 bushels compared with 1,126,000 bushels last year; and the visible decreased 417,000 bushels, reducing the total to 7,215,000 bushels versus 32,954,000 bushels last year. The open interest in July corn last Saturday was still 8,395,000 bushels more than the whole visible supply, and Chicago stocks are only 1,971,000 bushels, having decreased 266,000 bushels during last week. No. 2 yellow corn is still bringing 4 to 4 1/2 cents over the nearby future and the shorts are beginning to get a little nervous, market for the nearby future being quite strong at times. December corn was also strong, more in sympathy with wheat, but the crop is getting along nicely, weather is favorable and we have no faith that such a price can be maintained during the next year's crop movement.

Oats and rye advanced in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

July 16, 1935

Liverpool cables were very strong before our session opened, but their close there was a decided decline, and the final values for ious futures were 1/8¢ to 3/8¢ lower than the previous day.

The vacillating mood is easily explained. On the one hand the ket would deserve greater strength owing to the very largely re- ed stocks and the poor crop outlook in the Argentine at the present e. The absence of rainfall for a great length of time now makes it ost a certainty that the acreage in that country will be materially uced and the crop prospects in Australia, owing to the same cause, also rather discouraging. On the other hand, it is estimated the ld's crop, ignoring the Southern Hemisphere, will probably be 350 lion bu or upwards larger than in 1934. Therefore, unless consump- n would be greatly increased, it is a foregone conclusion that ld's supplies will not only be sufficient for all requirements, probably will give us an additional carryover at the end of the son.

While importing nations right along have been buying less than anticipated, even the new crop year starts with exports of wheat flour since July 1 up to date of only 14 1/2 million bu compared h 18 1/2 million bu last year.

Europe is still figuring, with their own crops satisfactory in eneral way, with Russia probably entering the export field, and h Canada compelled to sell very freely, that a buyer will have all advantages in assuming a waiting attitude.

Although many in the trade here still assume a constructive posi- n in their wheat trading, on the assumption that we might be close a domestic basis should the spring wheat crop deteriorate, they not so sure of their position to ignore entirely world's prices. refore, strength or weakness in Liverpool always has a sentimental ect here; consequently when cables were higher early it advanced prices sympathetically and later on when the decline came it ight more selling orders.

However, the chief influence remains the crop outlook in the ing wheat territory and the weather, as well as the threshing re- ns from the Southwest and the soft winter wheat belt. The weather night was fairly satisfactory, as temperatures did not rise to heights as was feared and cooler weather is predicted, which diminish crop scares considerably, particularly if there should be any further precipitation. All the crop experts claimed t along that the weather during the next two weeks would be the ding factor. We have now had one or two favorable days with one e in sight, and from that point of view the situation is more en- raging.

Threshing returns are distinctly disappointing, but nevertheless should be taken with caution, as after all, expectations were high, and the government practically estimated only an average of 15 bu per acre, which is not so very difficult to be realized.

(OVER)

Everything is getting an extremely late start this year and the movement continues to be very disappointing. Primary receipt today were only 925,000 bushels compared with 1,503,000 bushels in 1934. Receipts at interior points, Wichita, Hutchinson and Salina, are still small although a little better than last year, the comparison being 289 cars against 134. This light movement in conjunction with the depleted stocks at terminal points causes quite extraordinary premiums in the Southwest. No. 2 hard 13 1/4 per cent protein wheat sold at Hutchinson today at equal to 16¢ over Kansas City September. This is virtually at $1.00 basis Kansas City compared with 83¢ in Chicago. It is quite plain that these high premiums cannot be permanent, but on the other hand they will last until there are freer offerings from the farmers. The fact that the winter wheat crop in comparison with the spring wheat crop was also of such a smaller percentage than usual makes it clear that the pressure may not become great until the spring wheat crop moves. At the close the market showed practically no change compared with yesterday.

The decision of the United States Court of Appeals of Massachusetts declaring the AAA processing tax as unconstitutional had no effect on the market, as the case undoubtedly will be appealed and will not become effective until the United States Supreme Court finally decides the question. It probably will make every miller, baker and consumer careful, and buying will be largely from hand to mouth until the processors know where they are.

As we pointed out frequently, the calmness of shorts in July corn, in view of the statistical situation, has been rather a surprise to us right along. The open interest in corn up to last night was still 8,697,000 bushels with only a little over a million bushels in public elevators here, and daily receipts are hardly sufficient to take care of the normal demand. Stocks had been decreasing right along and are likely to continue to do so. The stocks at Bay ports have finally been reduced to 929,000 bushe and it is not likely that any of that corn will come here now - it will probably find a better market in the East. Today for the first time in a long while a little more apprehension on part of the shorts who tried to cover advanced the market very easily. We still feel that old corn will remain a very scarce commodity. The situation may be entirely different in December when new corn can be delivered on contracts, and when the supplies may be very large, considering the reduced amount of animals on feed.

Oats and rye were neglected, with small changes.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

July 17, 1935

iverpool cables were entirely ignored today, as well as all the gn crop news. Futures at Liverpool were a trifle easier before ession opened, but the nearby ones steadied gradually and at the they were considerably higher, the December and March wheat show- ery little change. This indicates clearly the sentiment abroad-- ity at the present time with plenty anticipated later on.

roomhall now estimates the European crop, including Russia, as r than last year. Weather conditions in Australia are more able.

s long as the slightest doubt exists whether we shall have a mod- or large exportable surplus, domestic conditions will be the trion for our future prices. We all remember that according to the government report there was easily a leeway of 100 million bu or between the estimated wheat crop and domestic consumption; but of the black rust reports are such that with the uncertainty of er conditions, assuming the worst should happen, nobody could be sure how severely the spring wheat crop might be cut down. Under circumstances, although the weather in the Northwest is normal, bilities and not probabilities are causing shorts to be extremely ul and investors are willing to take some chances that rust de- ments later on will make present prices attractive. This makes arket very susceptible, particularly as the hedging sales, while at on the increase, have not yet been a sufficient factor to off- arge speculative buying.

ast year, which was also a short crop year, primary receipts from 1 to July 14 were 28,265,000 bu. while this season they were only ,000 bu. The open interest is increasing and in ordinary years be considered quite insignificant with about 73 million bu; but stocks increase, it will require only a few new buyers to stimu- the market.

eceipts in the interior are beginning to show up better now. ta, Hutchinson and Salina received today 402 cars compared with rs in 1934. Chicago received about 100 cars today, and some ve by tomorrow 200 cars will be in sight. Offerings from the ry are also heavier and about 156,000 bu have been reported as be- oked. Should we gradually make up the deficiency in the move- hedging sales will be increased and it would become a more two- market. Total primary receipts were 919,000 bu versus 1,520,000 t year. Stocks at Kansas City, Duluth and Minneapolis show an se of only 30,000 bu, showing that the time for heavy increases visible supply has not yet arrived.

e weather prediction for tomorrow is for cooler weather in the est, with occasional showers, but it is not expected that the itation will be much. Should this materialize, according to own experiences, this would not be propitious for the further pment of rust.

the close of the market there was an advance of about 3¢ per compared with yesterday.

tside markets were stronger than we, particularly Minneapolis the maximum advance permitted in one day of 5¢ per bu had been d. Kansas City also showed great strength, although the mill- mand is only moderate.

rn continues to be firm, the chief influence being the nervous- n part of shorts for July delivery. The open interest decreased 52,000 bu, and is still 8,345,000 bu. Arrivals are very small orts can only cover when those who had previously acquired this e are willing to sell it. There was some strength in the fur- eferred futures in sympathy with wheat, although crop prospects e improving with the splendid growing weather we are having at esent time.
e and oats made very little headway considering gains in the lead- real, but since both of these cereals will yield so much heavier ast year, we presume that speculative enthusiasm is lacking.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

July 18, 1935

It is always difficult to discard old habits. For over fifty rs or more traders watched Liverpool quotations as a guide for our ce level the first thing each morning as they entered the office. s was fully justified because during the period when we were doing arge export business, in which the United States shared so heavily, vas a foregone conclusion that higher quotations from abroad for fu-es would immediately bring better bids for the cash wheat, and vice sa. However, we are now entering the third crop year without any ible export business. As a general rule, even in former years, the k of our business was done early in the season before the Canadian petition started, and later we found it difficult to compete with Southern Hemisphere. Nevertheless, each change in Liverpool fu-es still affects us sentimentally, and therefore it still remains mportance to watch foreign news, because sentiment is always a ure in speculation. Consequently when cables responded to our advance of yesterday, our opening was immediately influenced and y prices were considerably higher than yesterday's close. The ad-e abroad was not maintained, although the nearby futures showed quite a le strength.

During the session, as of late, black rust news was the dominant or, and the bull and the bear are naturally divided in their views o whether or not the reports are exaggerated, and just how much ge is likely to occur finally to the spring wheat crop. Virtually yone admits now that the plant is more or less infested, but many mber that this happened frequently before and yet at the end it found that the damage was not nearly as bad as the pessimistic re-s had led us to believe.

As far as we are concerned, we are somewhat skeptical. This, de- the fact that we have no inside information, and do not pretend ave made a study of the development of black rust. However, we do mber that the weather in former black rust years was much more rable to its development than it has been this year. In 1916 hot s were continuous,with temperatures way above the normal and lots uggy weather. Just now temperatures in the Northwest are normal, hardly any precipitation.

The pressure in the way of hedging sales is just beginning, but t yet on a large scale. Primary receipts today for the first time long while exceeded a million bushels, and amounted to 1,228,000 mpared with 1,470,000 bu in 1934. Stocks so far this week show little increase, Kansas City, Duluth and Minneapolis together 56,000 bu. Car-lots at interior points were somewhat larger than year, but not considerably so. Wichita, Hutchinson and Salina ved 419 cars versus 385 for the parallel day in 1934. The first of the increasing movement had an effect on premiums at Kansas where according to our reports they were 1 1/2¢ lower. Demand, er, still remains very good and it will require sizable increases e movement before there is a better balance wheel.

The open interest in wheat is somewhat on the increase, having 73,430,000 bu last night, showing that more outside interest is taken in this article. Should reports continue to encourage new s, active speculation might result.

Weather during the next few weeks will be very closely watched, e believe that all the damage done so far has been discounted, urther deterioration would justify higher prices.

(OVER)

A transaction took place today which seems to us of paramount importance: 500,000 bu of wheat had been sold from Ohio to Chicago. It is very seldom that the East sells wheat to the West. The movement naturally should be the other way. If we cannot sell our red wheat for export or to the East, there will be no outlet until the situation changes, and without it the grain must be stored and carrying charges paid. This probably caused the widening of the difference between September and December wheat.- it is now only about 1¢ a bushel and it costs 5¢ a bushel to carry it for three months, storage, interest and insurance.

Primary receipts in corn continue to be extremely light, only 239,000 bu versus 1,023,000 bu the previous year. This, regardless of high prices and good premiums, and is absolute proof that the farmer has very little to spare except what he needs for his animals. The open interest in July corn had been reduced 576,000 bu but is still 7,769,000 bu which is a large quantity and has to be evened up before the end of the month.

We have no reason to change our mind that the scarcity of old corn will continue until the new corn comes on the market. We consider the weather as favorable to the better development of the corn plant and think December corn sufficiently high. In the meantime, prices will fluctuate according to crop conditions.

Oats and rye closed lower in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO, July, 19, 1935

We think everybody concedes that the final prices this year will pnd largely upon the outcome of the spring wheat crop, and therefore lreports from the four large spring wheat states have a tremendous fct at the present time. The winter wheat crop is made and generally eking it has not turned out as well as it appeared when the last vrnment report was issued. Threshing returns in the main are not tsfactory. There are some exceptions, particularly in Ohio and cigan, where they are likely to raise almost bumper crops. A few sern states may also do well, and the estimated acreage had been mwhat increased. However, there are serious offsets probably all d the Southwest, and possibly in Missouri, Illinois and Indiana. The ae must be prepared for some lower outturns in the end, the exact z of which cannot yet be determined.

As far as spring wheat is concerned, the government had taken into nideration the possibility of reductions on account of black rust, tit is now felt that the toll will be greater than expected; but - de also opinions are unanimous that it is too early to determine yhing, as the weather during the next few weeks will be the deciding cor, and no one can be sure yet what that will be. Should this turn tto be a black rust year, naturally comparisons will be made with eworst one of that kind: namely, 1916, when the average spring yield s8.77 bu per acre, or a crop of 155 million bu on 17,670,000 acres. ee is nothing in sight as yet to even anticipate anything so disas-os. The acreage is also much larger at 20,431,000 acres, and an eage crop of 10 bu, which is only a trifle more than that of 1916, ud still give us 204 million bu, and of course correspondingly more, cld the damage not be equally great. We therefore see nothing at emoment to indicate a calamity. However, we feel that caution is cssary as long as the disease exists and might spread.

Cables were higher today on July wheat, which really represents ecash article, as much as 1¢ a bushel, but almost as much lower on eMarch delivery, which month anticipates what may happen later on, e both Canada and the Southern Hemisphere will offer their wheat ely. The fact that July wheat is selling 3¢ over the deferred fu-s, shows very plainly that while wheat is scarce momentarily, an udance later on is looked for.

Shipments from Argentina were only a little over 3 million bu com-rd with 4,600,000 bu last year; from Australia 1,314,000 bu against 98,000 bu; and from North America about 2 million bu versus 3,313,-0the previous season.

It is very evident that supplies in the exporting countries are nishing, except Canada, which country is not ready to meet world ies. The extremely low price in Europe will always cast a shadow e ours here, although with the 42- cent duty, it is not likely that ee will be importations this year, as there were last year, unless hould reach a very much higher level.

Temperatures in the Northwest were rather high but there was prac-clly no precipitation, and the reports about black rust were much esame as before, and probably will continue until the crop is ac-aly harvested. Opinions therefore will differ greatly until we get crate estimates on the outcome of the four states, and nobody ven-rs any opinions at the presnt time.

Receipts at interior points are now larger than last year, and the iary movement is also increasing, the total primary receipts being 41,000 bu compared with 1,630,000 bu last year. However, stocks are il decreasing, Kansas City, Duluth and Minneapolis so far for the e showing a decrease of 145,000 bu; but we believe this and more will ade up at other points, so that we may look forward to a small in-ese in the visible supply on Monday. The open interest is gradually eeasing, and is now over 76 million bu, showing that outsiders are gnning to take greater interest and this undoubtedly will grow old crops deteriorate and diminish again should the opposite occur. t the many uncertainties, the market showed frequent rapid changes, ig about 1/4¢ higher than yesterday at the close.

Trade in corn is light. There have been no deliveries yet this ah on July contracts, although about two-thirds of the month is gone. eiums have declined somewhat but are still 2¢ over July for No.2 yel-wcorn. Nothing is apparent yet to indicate any heavy deliveries. enew crop is getting along nicely.

Oats and rye were neglected and somewhat lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

July 20, 1935

There was a firm undertone in the Liverpool market this morning,
this can easily be accounted for due to the steadiness in Argentine
ces and the various rust reports which come from both our North-
t and Canada. As their session progressed, reports of cloudy
ther in the Argentine caused some profit taking, and the close was
y fractionally higher than that of yesterday.

It is a well established fact that bad news always travels much
e quickly than good news. In fact, anything of a sensational char-
er causes an entirely different psychology from routine matters;
we believe, to a large extent, that this explains many of the re-
ts which are coming from our spring wheat territory.

The excitement of some deterioration, coupled with apprehension of
t might follow if the rust disease would spread further, has been
en publicity over practically every telephone and telegraph wire
the country and even relayed to foreign nations which are interest-
in the price of wheat.

It is undoubtedly true that some damage has occurred, otherwise
reports as we have had would not be circulated. But, judging from
weather, there must also be a great many districts where the crop
aking splendid progress. North Dakota, with its large acreage,
bably falls under the latter category. If wheat were a hothouse
t and could not stand summer temperatures, then of course it would
utile ever to sow spring wheat, because July and August are the months
ing which our warmest temperatures exist. Since we have always
sed fairly good crops under such conditions, and have not gone to the
l of Eskimos, we presume that a fair comparison with other years
ld be made, and on that basis climatic conditions this season have
very near to normal, as in most cases the nights have been cool.

There is, of course, the possibility that once every fifteen years
al rust damage will take its toll. This fear, with potential
ge, more than anything which has occurred to date has created a
e since a great many people have now concluded that the figures
n out in the last Government Report will be greatly reduced. It
be another two weeks before one can determine with any degree of
racy what the size of the spring wheat crop is apt to be. There-
, erratic markets will continue, but there will be some resistance
ncreased hedges come into the market. This will result in more
sidedness unless the damage reports from the spring wheat area as-
greater proportions.

Today's receipts of wheat at Wichita, Hutchinson and Salina amount-
o 303 cars compared with 166 cars last year. In fact, the primary
ment today was 1,273,000 bu compared with 1,611,000 bu last year,
cating that we are starting to make up for lost time. So far this
stocks at Kansas City, Duluth and Minneapolis show a net decrease
75,000 bushels.

Trade today was only moderate, and while Minneapolis did not show
great excitement of previous sessions, their deferred futures were
ttle bit stronger and this gave courage to the local bullish ele-

here was also a report from a large elevator concern in the North-
that recent precipitation with high temperatures had done more to
gate rust development than to help the wheat plant. This also may
had some effect in bringing about a higher close.

he weekly weather forecast suggests temperatures mostly above nor-
ver the south portions of the Great Plains district and near nor-
ver the north portions, with local showers in most sections at
us times during the week. This is a fairly satisfactory report
ince no abnormally high temperatures are expected, the trade did
onstrue it as a very bad indication of what might be expected.
ORN enjoyed only a light trade and fluctuations were within nar-
imits. There does not seem to be any great incentive for making
ommitments while the wheat scare is on, but a great many people
ave made recent trips to the corn areas find that the plant has

(O V E R)

made rapid progress. Were it not for the tight situation excisting in the old crop months, we believe that December corn would be under greater pressure.

Oats and rye were more or less neglected but were helped somewhat by the firmness in wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

July 22, 1935

Liverpool made only a moderate response to our great strength on Saturday. This came about in spite of the fact that world shipments were small, amounting to less than 8 million bushels, or a reduction of about 3 million bushels from the exports of a year ago.

Broomhall also commented on the cash situation in Europe, which was beginning to tighten up somewhat due to the small exports from Canada, but we presume that Europe is so imbued with the idea that before long North American exports will be larger, that they are simply willing to let supplies dwindle to the smallest possible proportions knowing that when Canadian wheat moves in volume the situation will be quite changed.

The overnight news in this country was not startling; in fact the weather could just be construed as seasonal temperatures for the time of the year. Maximum thermometer readings were high in a few places during the heat of the day, but in a great many localities it cooled off during the night, and this is about what one could expect during the latter part of July.

A South Dakota report commented upon the ideal growing weather uring June, which gave the most encouraging prospects in South Dakota since 1929. It went on to say that small grains especialy are unusually good and stands were heavy in all parts of the state. It added, of course that the recent warm weather had ripened the small grains too rapidly in some sections and crop prospects had been lowered in the central area by heat and dry eather with black stem rust making its appearance in eastern reas. No mention of actual damage was made, although consider-able concern is noted and some loss is inevitable because of the atness of the crop.

We have mentioned this in great detail because it seems to be ypical of what growing conditions are elsewhere, and for the next ten days or two weeks weather markets will prevail, but there will be offsets by increased hedges due to a larger movement which has started in the Southwest; Kansas City today received 841 cars and Chicago 221 cars, which is the largest so far this season. Wichita, Hutchinson and Salina together received 362 cars of wheat today compared with 194 cars last year, and this, we believe, will be a factor offsetting rust apprehension o that the market is apt to be more two-sided unless the actual amage is much greater than is contemplated at this writing.

The visible supply of wheat increased 1,814,000 bushels. This compares with a tremendous increase of 8,616,000 bushels last year; ut on the assumption that the crop of winter wheat is larger than ast year, we can see no reason why the accumulations which have een delayed will not finally be made up. There was a tendency in hat direction today, and for the first time on the crop the primary wheat receipts were larger than last year, amounting to 476,000 bushels compared with 1,845,000 bushels at that time.

The market, after early strength, was influenced by some reluctance in Minneapolis which had been the inspiration during most of last week, and there was a decline from the best figure of the day, the close showing 3/8¢ per bushel loss for September.

(OVER)

There was a noticeable tendency for carrying charges to widen, and September and December wheat, which sold at practically the same price last week, widened to 1 3/4¢ per bushel today. This, in our opinion, will continue. We believe that new buying will come into the December futures. The open interest increased slightly on Saturday but amounted to only 307,000 bushels, showing that the outside trade is not enlarging to any great extent. We believe that for another ten days or possibly two weeks weather will dominate markets and therefore immediate swings are not easy to determine. If carrying charges widen, as we believe will be the case, then there is almost the assurance, based on present quotations, that May wheat would be selling at above 90 cents. We are at a large premium over world markets and traders must be sure that we will not have a surplus to export if that level is to be maintained.

Corn was comparatively firm for the old crop months, but the December delivery was influenced by the fine growing weather and rapid progress of the crop. The visible supply of this cereal decreased 367,000 bushels, whereas there was an increase of 496,000 bushels last year. We now have practically 27 million bushels less stocks than we had in 1934 and the total is less than 7 million bushels. Therefore it is quite likely that July and September will rule firm irrespective of new crop developments.

Oats and rye were little changed. Most of the pressure in rye was on the nearby deliveries which suffered slight losses.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO July 23, 1935.

Liverpool was quite strong this morning and prices advanced
t one cent per bushel in sympathy with the sharp advance in the
ntine yesterday where unfavorable weather is being reported. It is
that moisture is badly needed in the Southern Hemisphere country,
since this is the equivalent of the end of January with us, we be-
e there is still ample time on the seeded acreage if snow or rain
d occur within the next four weeks. In any event their price level
till extremely low, and despite a higher opening again this morn-
Buenos Aires was only quoted at 63 1/4¢ and the deferred futures
iverpool were selling at about the 75¢ level; so this is really
asis to expect a sympathetic advance here as we are selling con-
rably above the parity of either of the countries just mentioned.

The overnight temperatures in our Northwest were probably a
le lower than had been expected. At 7 A.M. many places reported
zy and cool weather although rain had been received in quite a few
es. Despite this fact the crop experts were again very pessimistic
eir views and a great many reported the spread of rust, about
we have heard so much of late.

We believe it will be another ten days or possibly two weeks be-
harvesting operations will be far enough along so that one can
for himself what the actual damage has been, and since the
nment in its July 1st estimate allowed for a good deal of dete-
tion, which generally takes place due to heat and blight, we are
hat skeptical that the very lowest estimates will be realized.
ermore, it must not be forgotten that we are not anywhere near
port basis yet, and consequently if we raise more than our home
rements, there is little chance of reducing the carryover, which
e moment is more than a normal one as compared to the years be-
he farm board came into being.

The open interest in wheat increased nearly a million bushels
rday, and the total now amounts to 77,711,000 bu. This is rather
and shows conclusively that outside interest is lacking. A year
t this time the open wheat contracts amounted to 150 million bu,
herefore, one can see rather clearly what might occur when our
le supply starts to increase in earnest, and this, we believe,
happen when spring wheat starts moving.

Regardless of how large the crop will be, it will certainly com-
favorably with last year's failure crop which amounted to only
llion bu. It is not surprising, therefore, that the market
d a rather reactionary tendency after the first few minutes of
ng.

At one time the July and September futures at Minneapolis declined
ull limit permissible in one day's trading, although September
ed somewhat later, and this brought about rather unexpected liqui-
n in our market. It has been the strength in the Northwest re-
y which inspired much of the bullish enthusiasm here, and failing
t the same incentive this morning local traders became less coura-
. As far as Minneapolis is concerned, the old crop supplies are
y well cleaned up, and since the arrivals from the new crop are
o come there is a balance-wheel lacking; and this may continue to
us erratic swings until the Northwest supplies are replenished.

Broomhall claims that the narrowing of the spread between Canadian
rgentine prices has attracted more interest in Manitobas this
but Bradstreet's North American exports for the past week were
, amounting to only 1,597,000 bu or about half the quantity which
hipped a year ago. Primary receipts of wheat were almost in line
last year, showing that the delayed movement is now making it-
felt; today's receipts totaled 1,336,000 bushels compared with
,000 in 1934. Stocks at Kansas City, Duluth and Minneapolis show
decrease of 205,000 bu, and it is not likely that the visible
y next Monday will show any very large increase as against other
--this again being due to the fact that the harvest was late.

Corn showed rather stubborn resistance, even when the leading
l became weak. The primary movement is extremely light --only
,00 bu versus 2,082,000 a year ago. There is no chance for ac-
ations to take place, and although the new crop is making good
ess this cannot have much effect upon the old crop position, ex-
that those who can wait will probably do so rather than to pay the
premium for the near position.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 24, 1935.

There was some weakness early in the Liverpool market, in-
enced by our decline of yesterday, but their prices steadied and
e about unchanged owing to the continued scarcity of Argentine
ers and better demand for Canadian wheat. The prolonged drought
the Argentine has reduced the acreage that could be sown to winter
at, and it is a foregone conclusion now that the next crop in that
ntry will be short due to this fact and the unfavorable weather
ch has existed up to now.

In Australia the moisture situation is reported improved and
eral showers have been received, although it is still claimed that
ely rains will be necessary for satisfactory crop development dur-
the growing season.

Our market was not influenced so much by reports from abroad,
rather heeded additional weather and crop reports which continue
comment on rust damage in the Northwest sections. There seems to
considerable variance between reports and we presume that if two
ple entered the same field there might be a difference of opinion.
refore, a great many uncertainties will exist until the crop is
ally harvested.

The Government weekly weather and crop report has made mention
the fact that threshing returns have been some disappointing in the
tern Ohio and central Mississippi valleys, particularly in the state
owa as well as Nebraska, principally due to damage by heat or rust.
go on to say, however, that ideal harvest weather prevailed in
of the Pacific Northwest; so at least there are areas in the
ng wheat country that are far enough along not to be damaged by
.

We understand that one of the reliable elevator concerns hav-
made a survey of conditions in the spring wheat territory thought
as of last Friday the crop still looked as though it might av-
e 13 1/2 bushels per acre, and on that basis very good yields are
l in sight. It is a fact, however, that the plant is susceptible
uggy weather, and even if one would know as of today's date how
the crop would yield, there could easily be 40 or 50 million bu
d or substracted, according to whether the weather from now on
me favorable for the best development of the plant, or whether
might seriously overtake it.

We presume that the trade must feel that way and judging from
quotations at Minneapolis both up and down, it was a very nervous
erratic sentiment to which the trade here paid a good deal of at-
ion, but our volume showed a considerable shrinkage from pre-
s sessions.

Despite the fact that some of the European crops are not quite
romising as earlier and that France will probably produce con-
rably less than a year ago, there is still an estimate that they
raise 266 million bu, which compares with a five-year average of
million bu. Spain now has an official estimate for a crop of 149
ion bu, which is about average; and Germany is thought to have a
ibility of 173 million bu, compared with a five-year average of
million bu. With this in mind, we hardly look for any substantial
e enhancement abroad, and therefore, if we are to have scarcity
es in this country, they will have to come through our own domes-
situation, which as yet we are not willing to concede. Based on
last Government report of 735 million bu, there is considerable
ay, even if heavy losses occur, to reduce us below the figure of
home requirements.

Primary receipts today amounted to 1,199,000 bu compared with
1,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis
a net increase of 90,000 bu.

The close was at practically the best figure of the day, and
iration again came from Minneapolis where the July future advanced
2¢ from the low quotation of the day. One should not really pay
attention to this month, as it is easily influenced by small
me, but nevertheless the trade watches Minneapolis very carefully
cue of how crop reports are being reflected in price changes up
e. Even the September delivery made greater gains than we did,
for that reason the line of least resistance was on the bull side.

(OVER)

Corn was subjected to some deliveries on July contracts. However, the longs are apparently very convinced of their position, and seem to be holding on while the shorts have taken the initiative. This also had its influence upon the December contract despite the fact that weather over the belt was considered as favorable.

Primary receipts of corn today were small --only 341,000 bu compared with 1,581,000 last year; and on that basis industries are just getting their bare necessities.

Oats and rye were influenced by the better tone of the leading cereal.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 25, 1935.

The trade was somewhat surprised at considerably lower mar-
s in Liverpool this morning in spite of our sharp advance of yes-
day. Broomhall attributed this to offerings of Russian wheat,
ch undoubtedly had caused liquidation abroad following buying in
t market, which had been largely prompted by rust reports from
Northwest and Canada. It was a foregone conclusion that our
ket would open lower, because even though we are not on an export
is sufficient attention is paid to quotations abroad, particular-
when they show such great discouragement as developed in today's
ding operations. Almost as soon as our market opened Minneapolis
wed extreme strength, and their July delivery at one time advanced
full permissible limit of 5¢ per bushel. It was thought that
ibly small operations by Chicago operators had more than the
l effect at Minneapolis where the new crop wheat has not yet
rted to move, and consequently, where pressure at the moment is
remely light.

We have mentioned on several occasions that there is no real
nce-wheel yet in the Northwest, and that probably too much at-
ion is paid to their fluctuations, but this may be the case for
her two weeks until harvesting operations are further advanced.

There is no real change in the tenor of the news which is
ng from the spring wheat districts. The weather on the whole is
t as favorable as one could expect considering that we are ap-
ching August when heat usually prevails in all northern hemis-
e countries. The nights have been relieved by at least a breezy
ition with probably less humidity than during the heat of the
y The Van Dusen review makes mention of the fact that most of
small grain crops will be ready to cut in ten days, although
t wheat in the northern districts will probably require another
or three weeks to mature. They also say that present high tem-
tures have forced the development of all grains and advanced the
of harvest, which in a year like this has its advantages, be-
e it might precede the rather wide spread of rust infection which
ot prevalent in other years. Since all districts are not equally
cted accurate estimates are not possible at this time; and market-
s, we would say that there is no clarity yet upon which traders
base definite opinions. It is a fact, however, that heavy move-
n is gradually working northward, and to that extent, receipts
picking up, and we feel that within a few weeks increases in the
ble supply will make up for much of the retarded movement to
t.

In view of the many sensational reports which have been cir-
ted, we have made it a point to contact some of our friends in
Northwest, and most of them are in agreement that the crop con-
on there is very spotty, but nevertheless many districts will
l yield so heavily so as to greatly offset other poorer sections.
h have been affected by heat and blight.

Therefore it might not be far out of line to hazard an
mate of 13 bushels per acre on over 20 million acres according
onditions as they are today, making due allowances that additions
subtractions might have to finally be reckoned according to fur-
weather developments in the northern districts where cutting
not take place for another week or two.

A great many traders in our market have taken the positive
that because of disappointing yields in some of the winter
districts and the presence of rust that we are bound to have a
smaller than domestic requirements. However, if they are wrong
ese calculations due to over-enthusiasm, we can easily see how
corrections must set in when some of the long lines are
dated.

(OVER)

Today's primary receipts of wheat were somewhat larger than last year, amounting to 1,332,000 bu compared with 1,029,000 a year ago; so far this week Kansas City, Duluth and Minneapolis stocks show an increase of 342,000 bushels.

As conditions develop it is not likely that there will be much, if any, foreign business in cereals this year. However, should any take place the foreign currency situation would offer a great many obstacles. Sterling exchange keeps strong because European countries still consider it the safest place for hoarding. France and Italy are only nominally on a gold basis, and their budgetary deficiencies are growing so fast that it is only a question of time until the strain will be too much for them. Holland's banking rate had to be raised again to over 5 per cent to prevent further gold shipments; and France who is fighting valiantly for non-devaluation has not yet been able to restore sufficient confidence amongst her citizens so that the gold which has been shipped abroad could be returned.

Weather seems to be ideal for development of the new corn crop, and December corn acted rather weak except for a short period early in sympathy with wheat. Primary receipts continue to be extremely light, being only 171,000 bu versus 1,755,000 in 1934, or less than one-tenth. The fact that another 100,000 bu of corn were sold to go to store, and that deliveries in July contracts were heavier had a depressing effect on the old crop futures, all of which closed lower.

Fluctuations in oats and rye were exceedingly unimportant.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 26, 1935.

Liverpool wheat cables were very strong for the nearby
ure , but weak for the deferred ones. Different from this coun-
where there is a moderate carrying charge between our July and
wheat, there the March wheat is selling at almost 3 1/2¢ per
hel under the nearby future. This is due to the fact that ship-
ts at the present time from exporting countries are extremely
ht. Australia shipped 1,661,000 bu compared with 2,006,000 last
r; and Argentine 1,373,000 bu versus 3,373,000 in 1934, or 2
lion bushels less. Foreigners are still confident that when their
crops are harvested together with what they expect to receive
m Russia, Balkan states and chiefly Canada, it will give them suf-
ient supplies for their needs.

As far as this country is concerned, opinion is veering
dually to the viewpoint that we are on a domestic basis. Therefore
eign markets can be no influence here until the difference be-
en other markets and ours widens so much that even with a 42¢ per
el duty importations again could take place; but nothing is in
t now at the present level to indicate any such movements.

While temperatures in the Northwest were almost normal, al-
ugh possibly a trifle higher, rust reports are coming in in increas-
numbers and greater pessimism is shown about the final outcome
the spring wheat crop. There is also greater belief expressed
he accuracy of the reports, as Minneapolis, which is closest to
scene, shows a very strong undertone; and all their futures ad-
ed the full permissible limit under the rules of their exchange:
ly, 5¢ per bushel. One of the crop experts, who had been reason-
optimistic as to the spring wheat outcome until about ten days
now makes an estimate for the total spring wheat crop of a maximum
00 million bu, which is a reduction from the last Government re-
of about 73 million bu. This, together with expectations of lower
ds of winter wheat than previously anticipated, would put us very
e to a domestic basis; in which case the present price level
t be justified.

Hedging sales while somewhat increasing are still so moderate
they do not offset much of the new speculative buying which comes
he market, and it was easy to establish higher prices, the close
ing an advance of over 3¢ per bushel. Primary receipts were
4,000 bu against 1,144,000 a year ago; stocks at Kansas City,
th and Minneapolis show a net increase of 483,000 bu for the
, indicating only a modest increase in the visible supply on
ay. Receipts at interior points are somewhat larger than last
--Wichita, Hutchinson and Salina reporting 194 cars compared
85 cars in 1934. However, receipts in Chicago are still very
l and way below the average at this season of the year.

The feeling at the moment is rampantly bullish, and while the
rtainties about the spring wheat crop yields continue with pos-
lity of further deterioration, speculation may boost prices
il higher.

Corn and oats were only moderately affected by the advance in
t. Prospects for corn are very favorable, and the oat crop has
suffered like wheat, and promises to be a very large one. Pri-
receipts of corn were only 157,000 bu versus 1,612,000 bu last
; and old corn is bound to remain scarce.

Rye sympathised with the other cereals and closed higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 27, 1935.

Liverpool wheat cables closed very strong, December and rch wheat advancing almost 3¢ per bushel. Europe finally had to ke cognizance of the reduced crop prospects in Canada, in addition the poor outlook in the Argentine where dryness has prevailed w for ten or eleven weeks, which gives the wheat plant a very or start; and a very much reduced acreage is almost a certainty. shington still estimates the 1935 wheat crop as reported by 39 untries at 3,208,128,000 bushels compared with 2,845,584,000 bu r the year before; or an increase of 363 million bushels. However, we are convinced that with the reduction in yields in North erica those figures seem too high at the present time.

It was a foregone conclusion considering the bullish carryer feeling from yesterday, in addition to the strong cables and let-up in rust reports, that our market would open higher. eculation which has been lagging for such a long time is finally coming an important factor. The open interest in wheat, which its low point was about 70 million bushels, has now been ineased to 80 million. This, of course, works both ways, as the ger the open contracts against hedged wheat the more vulnerable market, if at any time there would be occasion for a turn in ces. However, the trade is now fully reconciled to the ew that it is not likely that our wheat production this year will h exceed the consumption if any; with the possibility that if ps should go back further that there might be even less raised n consumed; so we would cut still more into our carryover supplies.

As we look at it at the present time, and taking a conrvative view, assuming that we raise about sufficient for our own eds prices should rule during the year much the same as the last , in which case price fluctuations would not be very great after market once has settled.

Primary receipts are slowly increasing, but are by no ns burdensome as yet; today they were 1,669,000 bu versus ,77,000 in 1934. Stocks at Kansas City, Duluth and Minneapolis w a net increase of 895,000 bu. We, therefore, look for a erate increase in the visible supply on Monday, but nothing to rm anybody for this period of the year. But the possibility sts that Monday we might have very much larger receipts, as movement is now due from almost every point in the hard winter at district where wheat is raised. If hedging sales should inase considerably it would have a modifying effect.

As far as the weather is concerned, the long-time pretion is for seasonable temperatures for the first of the week lowed by warmer, and at times we shall have temperatures above mal. If the reports which come from all quarters are correct damage in the Northwest has been great enough so that the wear from now on cannot repair much of the damage; and the spring at crop will be very much reduced from what it looked even one k ago.

Corn, oats and rye were affected by the great strength in at and had no difficulty in advancing. Corn receipts continue be very light --only 398,000 bushels against 1,989,000 the preus year; until the new crop moves corn will remain very scarce. p prospects, however, for the new corn are very good, and the s crop is a very large one, so finally the wheat influence might lost and they might sell lower on their own merit.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
O BOARD OF TRADE
PRODUCE EXCHANGE
K COCOA EXCHANGE
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ITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO July 29, 1935.

Liverpool wheat cables were quite weak before our session
d, although they showed some small improvement during the day.
they reflect the world situation it is not very encouraging.
March future is selling at approximately 18¢ per bu under our
and this in spite of the fact that world shipments were extremely
--only a little over 6 million bu compared with almost 9 million
34. Also the amount on-passage is only 17,376,000 bu versus
8,000 the preceding year parallel period.

We have come to the conclusion that European prospects must
asonably favorable and that consumers there feel that with im-
tions which they will receive from the Balkan states, Russia and
a there will be sufficient for their requirements, even if later
e southern hemisphere should produce less than the previous seasons.
uch as the trade is fully convinced now with the reduction in yiel
has taken place, not only in the spring wheat but possibly also
e winter wheat sections, that we are on a domestic basis, the ef-
of the lower cables was only felt early. Immediately now buying
s came in the market and at times at considerable advances over
day's close. However, we believe that we cannot be entirely in-
rent to the world's level of prices, although we are protected
a 42¢ per bu duty, so that large importations could only take
if prices should take an extreme flight. Even this month up to
21, 166,000 bu of wheat were imported for domestic consumption.
was made possible on account of the much higher prices existing
pring wheat, in addition to high premiums for the choice wheat.
fore, assuming, as is generally expected, the quality in the three
western states should be light-test weight, it is not impossible
Canadian wheat in moderate quantities might again come into com-
ion with ours. The difference just now is not so very great con-
ing that Minneapolis July wheat is more than 35¢ per bu higher
Winnipeg July, and there are big premiums paid above that for
e wheat in the former place.

It is generally assumed that the damage in Canada is not near-
great as in the United States, although rust has appeared there
and the crop is further away from the harvest period than ours.
er, stocks in Canada on July 20 were still over 207 million bu,
ith the new crop coming, on the assumption that greater efforts
be made to market the wheat, there is no reason to assume that
wheat prices can advance very much in view of the fact that they
have to find an outlet in Europe for large quantities.

The tenor of the crop reports was much the same as of late.
are hardly varying opinions about the fact that yields have been
ly reduced; but whether the reductions will exceed from 50 to 75
on bu more or less nobody can tell at the present time.

Primary receipts today were considerably larger than both last
and last year, being 2,735,000 bu compared with 1,337,000 in 1934.
isible supply showed an increase of 4,108,000 bu against 5,438,000
year, but the total is only 29 million bu versus 109 million a
ago, or 80 million bu less. Cash premiums are being fully main-
d in all markets and still bringing high prices for most varieties.
pen interest in July wheat is declining rapidly, having been re-
to 812,000 bu on Saturday, and fair deliveries are being made
now; thus indicating that as far as the red wheat is concerned
is no particular demand on part of millers at the present time.
pts at interior points are still very light for the season, al-
they are a little larger than last year --Wichita, Hutchinson
alina receiving 204 cars compared with 120 in 1934.

Corn was independently weak, and there was more pressure upon
ly delivery than upon the other months. Heavier deliveries today
ently represented corn from the East which was brought back to be
red on contract; and this brought about liquidation. Evidently
igh premium of the nearby month made industries very cautious, and
are now using only their actual necessities. As far as the new
is concerned, optimistic reports are coming from the growing terri-
s, and we believe that with the hog population greatly reduced the
for May corn is too high.

Oats and rye were helped at times by the advance in wheat, but
ions later also took away support, so that the best prices of the
ere not maintained.

DAILY MARKET LETTER

MEMBERS:
O BOARD OF TRADE
K PRODUCE EXCHANGE
RK COCOA EXCHANGE
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 30, 1935.

Liverpool wheat cables proved disappointing again today,
r futures declining from 2 to 3 1/8¢ per bu, the latter on the
by future --July. Broomhall explains the depression in wheat
es through continued liquidation for the month of July and larger
rings from Russia. With very few exceptions Russia was not a
or since the beginning of the great war, but it seems that this
her wheat crop promises very well on an increased acreage. The
an states also are likely to produce much larger quantities than
934; Australian crop conditions have improved considerably during
nt weeks; and Argentina is threatened with some rains, which
d be very beneficial. However, in any case, the acreage probably
be reduced from 15 to 20 per cent. Taking the European crop
ook as a whole, it is about as bearish as the United States situa-
-is bullish, and the high level of prices in the United States
ared with practically every other country is probably justified
ne assumption that we are on a strictly domestic basis. In fact,
pite of the 42¢ per bushel duty, we are nearer to imports than
rports; and we would not be surprised if before the end of the
on this would be the third year in succession when this great
ry, the United States, will need importations to cover its needs.
ourse this does not mean that in case of a pinch we could not get
g without it. However, we are always bound to carry over a rea-
ble amount of wheat as millers and consumers cannot permit their
s to run down to the zero point, and also a certain amount is
's carried over by farmers, making importations at times profitable.
rtations, of course, for the present are only possible on high
in wheat, but the price at which protein #2 hard wheat is selling
t Kansas City plus freight and other expenses is very close to
ian wheat of equal weight and test delivered Buffalo. This, at
, will probably make it impossible for Minneapolis cash wheat to
ce much further, but whenever new wheat comes on the market which
much below present cash values this danger of importations is
y to disappear again.

Reports from the spring wheat territory reiterate the great
e which has been done during the last few weeks, and estimates
he spring wheat crop, not only by crop experts but also by
ble millers and elevator concerns who are very much interested
e outcome of the spring wheat crop, are very pessimistic. It
cause no surprise whatsoever if the average crop estimate by
te experts which will come out on Friday will be about 100 million
ls less than the last Government report. This would about equal
mal year's consumption, and would give us a moderate carryover,
as last year, but would not bring about great pressure on prices.
uld also mean no unreasonably high values. Probably fluctuations
a while when markets become settled would be only moderate --
d the present level.

At the present time the technical situation is not particular-
vorable for an immediate sharp advance, because on account of the
movement we think some of the lost time will be made up, and
hedging sales will come on the market, while speculative buying
be only very moderate. This accounts partly for today's decline;
heat market at the close showing a recession from yesterday of
per bushel.

Primary receipts were only a trifle larger than last week or
year, being 1,374,000 bu against 1,246,000 in 1934. Stocks at
s City, Duluth and Minneapolis show only a small increase of
00 bushels. Receipts at interior points are also only very
ate --Wichita, Hutchinson and Salina receiving 153 cars versus
st year.

(O V E R)

Our market at times was largely influenced by the great fluctuations at Minneapolis, particularly for the July future -- same advanced at one time the full limit permitted in one day of 5¢ per bushel, and then declined from there 8¢ in a short time, finally closing slightly higher than yesterday.

The corn market also had many contradictions to contend with. The new crop outlook is exceedingly favorable, which of course always has to be borne in mind. The old corn naturally will be economized as much as possible in view of the abundant supplies of other feedstuffs which will soon be available. Primary receipts were only 223,000 bushels today against 2,128,000 a year ago, which certainly indicates a more or less scarcity for the present. There is still a large open interest in July corn, amounting to 3,305,000 bushels yesterday, with only two days left to even up contracts including today. So far the shorts have been able to obtain all they needed, but yet some of them must feel rather nervous at this late hour.

The same condition exists in July oats, where the open interest last night was 1,275,000 bushels, with only very small stocks in Chicago elevators ready for delivery. All the other futures in oats were lower, being influenced by the very large crop which is bound to come on the market very soon.

Rye was the weakest of all cereals. While the price looks low compared to wheat, the crop outturn is such that there will be an unquestionable super-abundance with no chance for exports and too much for domestic consumption.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
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CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

July 31, 1935.

Liverpool cables showed the reverse of yesterday and from
extreme weakness, which had prevailed, there was a sharp recovery
ay, futures advancing from 1 5/8 to 2 1/8 cents per bushel. Broom-
attributes this change in sentiment to worse reports from Canada
e the crop is going backward. The very favorable crop prospects
h existed there sometime ago have changed completely, and estimates
he final yields are being reduced to such an extent that there
be not more than 300 million bushels harvested in the three
ern provinces. Contrary to the situation in the United States,
ver, the Canadian carryover from previous crops is so large that
a 300 million bushel crop would leave almost 400 million bushels
surplus and export the coming season, on the assumption that the
yover on August 1st this year will be a trifle more than 200 mil-
bushels.

Considering that world shipments of wheat and flour totaled

	514	million bu	in	1934-35
ared with:	523	" "	"	1933-34
	615	" "	"	1932-33
	770	" "	"	1931-32

an be very clearly seen that world supplies are likely to be
tiful.

Broomhall estimates that European crops, outside of Russia,
produce about 40 million bu more this year than in 1934. Russia
already started to offer wheat very freely, so the additional
lies from there will also be added in competition with the others.

Argentina has had no rains as yet, and we have to figure on
ler quantities of supplies from the Southern Hemisphere. There
be no world scarcity of wheat; on the contrary there might be
uch, or nearly so, as there was last year.

As usual, the stronger cables had a sentimental effect here,
icularly in view of the fact that reports from the spring wheat
itory are not any more favorable than they have been. It is
cipated that the private experts' estimates of the total crop
he United States, to be given to the public on Friday, will give
stimate on yields either equal to a normal year's consumption,
ess.

The trade is thoroughly imbued with the idea now that accord-
to all ordinary calculations low prices for the season, or at
t until next year's crop prospects will be an influence, are out
he question; and therefore prefer to take the long side, which
ffering the least resistance. Shorts are practically non-exist-
and the open interest is gradually increasing, having gained
ly about 8 million bushels, and is now 88 million bushels.

For the present hedging sales while increasing are not sufficient
ffset all the other items. There may be a period when this will
he case, because even with the shortest possible spring wheat
, during the height of the movement there are bound to be ac-
lations of stocks which have to be absorbed.

Primary receipts today compare very favorably with last year:
ly, 1,802,000 bu versus 827,000 in 1934. Stocks at Kansas City,
th and Minneapolis show an increase of 778,000 bu, indicating
her fair-sized increase in the visible supply next Monday. Re-
ts at interior points are also keeping up reasonably well,
ita, Hutchinson and Salina receiving 228 cars against 121 a year

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The main excitement during the session came chiefly from the great strength in the Minneapolis market, where about mid-session the July delivery had advanced the full limit; and the few remaining shorts had difficulty in covering their commitments even at this limit. The deferred futures there also showed great strength, the advance being considerably more than ours.

At the close of our session, wheat was 2 3/4¢ per bushel higher than yesterday.

The Winnipeg market is not advancing anywhere near as fast as Minneapolis, and consequently the chances for importations increase from day to day, considering that high protein wheat is selling at big premiums in the Minneapolis market.

Corn, oats and rye were all sympathetically affected by the extreme strength in wheat, but owing to the very favorable crop prospects the distant futures could make no great headway.

There were the first indications of complaints from the Southwest where the heat was extensive, and where it has not rained for some time. There is, however, no immediate danger with the great sub-soil moisture, and corn could easily stand another week of dry weather without suffering much. In the meantime other territories where much corn is raised is doing very well.

The July future of both corn and oats were strong; a great many people waited until the very last minute to cover short commitments; since there are practically no new oats in this market it was quite natural that the July future should expire at a considerable premium over later months. Likewise in corn, a great many people hesitated to pay the high premium which prevailed over the September, but with only moderate deliveries longs also had the advantage, and those who waited until the last day had to pay a premium of about 8¢ per bushel over the September for their supplies.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 1, 1935.

Liverpool wheat cables were quite strong today before our
ssion opened, but part of the advance had been lost later on and
eir close showed a gain of only 1/2¢ per bu compared with yester-
y. The firmer tone from abroad together with the reiteration of
ry bad crop outlook in the spring wheat territory caused further
vances right at our opening, but during the session these melted
ay for various reasons.

Primary receipts were very heavy and indicated plainly that
ne of the shortage of the early movement because of the lateness
the crop is probably being made up. Receipts were 2,091,000 bu
pared with 883,000 similar day last year; this is the second day
when receipts were double those of parallel day in 1934. There
s also heavy profit-taking, and undoubtedly more hedging sales than
late. Chicago received 256 cars, which so far were the biggest
ceipts for any week-day on this crop. As it is reasonable to ex-
t that there will be a steady movement now to this center, we are
y much inclined to believe that gradually the difference between
tember and December wheat will widen. When it is considered that
storage charges alone for three months will amount to 4 1/2¢ per
which together with insurance and interest would make a total
ense of 5¢ a bushel, we do not think that elevators or speculators
l care to take delivery on September 3rd, the first day of de-
ery, unless the demand situation for the red wheat at that time
uld alter considerably. This is not likely to be the case, as
t wheat in the East is selling at much below Chicago parity, and
receipts at St. Louis and other places also indicate that there
l be plentiful supplies at least the first part of the year of this
ety.

One of the crop experts came out with very pessimistic figures,
imating winter wheat at 407 million bu, and spring wheat, including
ums, at 182 million bu, or a total of 589 million bushels, which
much below a year's normal consumption. We assume in accepting
se figures that probably the worst is known now, that there will
no further reductions, but the maximum gain from now on can also
be very considerable.

The whole situation is a very complicated one. On one side
the tremendous indifference on part of Europe, although Argentine
pments this week are only 1,470,000 bu against 3,738,000 a year
, and the further fact that the Canadian crop has been reduced
that the available stocks at ports and on-passage are extremely
ll. Evidently Europe is figuring that their own crops will go
ther than usual to provide their needs; of course Russia may be-
e a factor this year.

Stocks at Kansas City, Duluth and Minneapolis so far this
k show an increase of 976,000 bu; and as we expect heavy increases
Chicago and various other points, the visible supply next Monday
oubtedly will show a very big addition. Speculation, however,
increasing also --the open interest yesterday gained almost 4
lion bushels, and the total now is over 90 million bu compared
70 million bu some time ago. Under these circumstances, new
ers will be needed for some time yet to absorb the increased
ement, but should the opinion gain ground that wheat is worth the
ey in view of the reduced yields it will not be difficult for ad-
ional speculators to enter the market on the buying side.

At the close the wheat market showed a loss compared with
erday of 1 3/8¢ per bushel.

The only old crop future in corn now is September, which, with
termination of the July future, developed great strength. Primary
eipts are extremely small --only 423,000 bu versus 1,633,000 last
. The fact that the July longs had been so successful is encourag-
to those who now own September corn. There is a possibility how-
that before that future expires the situation might change some-
, as new corn will be available at least in the Southwest, and
sumption from now on will be very small with the many substitutes.
crop prospects are still very favorable; an estimate was made
y with a promise of 2,189,000,000 bu. This would give us ample
plies in view of the much smaller amount of animals on feed. How-
, there was no great weakness even in the deferred options, some
l hoping that we might have some crop scares during this month

unless there should be abundant rains and a great deal of warm weather. Rains were reported today in Nebraska, where they are very beneficial.

Oats supplies no doubt will be very bountiful later on.

Rye has lost its great attraction for many in view of the fact that supplies are bound to be plentiful all during the season and that we shall be compelled to export some or otherwise add to our carryover for next season.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 2, 1935.

Liverpool wheat cables showed great strength before our session ened today, but at the close prices for their futures were practical- unchanged from the previous day. Europe takes a little more cog- zance of the fact that crops in many parts of the world have been eatly reduced of late. Outside of North America, Argentina un- ubtedly will have a much smaller acreage. Whatever the final rep ts will be the whole situation cannot be looked upon with as imistic a view as far as yields are concerned as a month ago. pments from the Southern Hemisphere are very much lighter, entina furnishing this week only 1 1/2 million bushels of wheat pared with 3,738,000 a year ago; Australia 1,466,000 bushels sus 2,030,000 in 1934. Broomhall estimates that probably the thern Hemisphere will supply only 3 1/2 million bushels weekly m now on. Assuming (and this is a minimum) that the world uires 10 million bushels importations a week, the balance will e to be supplied mostly from the Balkan states and Russia, as well Canada.

There is no reason to suppose that there will not be plenty ilable for all these purposes, but yet it will not make it en- ely a buyer's market, such as had been in existence for so long ime.

Little attention was paid today to foreign news. Everybody been anxiously awaiting the private reports on the wheat crop, when the figures finally were furnished they left as many con- versial points as ever. The average estimate on winter wheat was million bushels against Government figures in July of 458 mil- n bushels; and spring wheat 190 million bushels against 273 mil- n previous year; and certainly was about as pessimistic an imate as could have been anticipated. One of the experts gave igure as high as 649 million bushels, while the lowest was 589 lion bushels --a difference of 60 million bushels, which will make the difference in the world as far as prices are concerned if or the other should be correct. However, an explanation was en in connection with the 649 million bushel estimate, indicating t it was more difficult than usual to make predictions and that figures might have to be modified greatly if unfavorable weather the spring wheat territory should continue. While the winter at crop is made, and it will be a small one, some doubt is still sting as to the size of the spring wheat yields.

As speculation has been quite large of late and one sided, hesitancy together with the increased hedging sales brought about ry sharp reaction, the final figures being 2 1/2¢ per bushel r than yesterday.

Primary receipts keep quite heavy --2,198,000 bushels versus 000 last year; and this is now the third day when receipts were le those of the preceding season. We think this heavy move- is likely to continue for two or three weeks more; therefore, atter what opinions one might hold on the final outcome, he has e prepared for additional hedging sales which have to be orarily absorbed. The spring wheat movement also has started, will increase as time goes on. Stocks at Kansas City, Duluth Minneapolis show an increase so far this week of 1,141,000; we anticipate a very heavy increase in the visible supply on ay.

One of the features today was the distinct widening between ember and December wheat. This we believe will continue to up for some time, as prospects indicate a very poor demand for

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the red wheat early in the season, and it is not likely that anybody will be anxious to pay for the wheat in addition to all charges which would amount to approximately 5¢ per bushel for the period from September to December.

Estimates on the corn crop indicate very large yields, the average being almost 2,300,000,000 bushels compared with the last Government estimate of only 2,045,000,000 bu, and certainly shows a great gain for the month. Considering the reduced amount of animals on feed, this would mean very plentiful supplies, not to speak of the many substitutes which are available and which will also be pressing on the market.

We feel bearish on new crop corn futures, and think later on in January when the heavy movement sets in the price will work lower. However, this has nothing to do with September corn, which is the old crop future, where it is quite evident that supplies to fill contracts will be quite insufficient.

Cash corn is still selling at very big premiums --in Kansas City #2 yellow corn sold as high as 11¢ premium over the future. Primary receipts were only 231,000 bushels against 796,000 parellel day in 1934.

The oat crop estimates of 1,226,000,000compare with last year's final of 526,000,000 bushels, and 732,000,000 bushels the year before. We think this cereal will be a drug on the market during the whole season.

Rye was somewhat lower in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
IMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 3, 1935

There were no cables from Liverpool to guide us this morning, as
ank holiday was being observed abroad. This threw us upon our
resources to determine values, and a great many people were im-
ssed by yesterday's display of weakness after the private reports
been publicized.

There is nothing unusual in any speculative market to find that
er news is released it has been more or less discounted. In fact,
of the values of futures trading is that actual happenings are
icipated and it is really only great surprises which often bring
ut sensational changes. It has been known for some time that the
lic interest, at least locally, was confined almost entirely to
lish operations. The great change which occurred in the spring
at territory had been going on for at least ten days and the rust
orts were so persistent that one could not have doubted their au-
nticity. It was apparently the desire of longs to seek profits
this brought about yesterday's sharp declines.

In analyzing these reports, and assuming them to be about in line
h what the government will finally make the crop, we are trying to
k ahead to see what wheat should be worth ultimately. On the as-
ption that the carryover on July 1st was about 160 million bushels,
are probably dealing with the smallest amount of wheat since 1917.
refore, cheap prices on this crop are not likely.

For the time being the market is feeling the effects of heavier
umulations, and primary receipts for the week amounted to 12,718,000
hels compared with 5,132,000 bushels last year. On that basis it
reasonable to expect that the visible supply on Monday will show a
y large increase, possibly from 6 to 8 million bushels. If this is
case, the total visible supply will rise somewhere beyond the 35
lion bushel mark, but even at that it will compare with a visible
112 million bushels for the corresponding time a year ago and 135
lion bushels two years ago. In other words, it will be a long
e before we can expect as much pressure on the market as we had in
se years. In fact, we may never attain even a supply of 100
ion bushels, so that despite a smaller speculative interest there
be enough buyers to keep values pretty well maintained around the
ent level. We believe , however, that next Monday Chicago receipts
show a rather substantial increase. The movement to this mar-
is getting pretty well under way now as elevators are filling up
red wheat. This being the case, there is no reason to suppose
carrying charges should not continue to widen, and therefore in
ng purchases we believe that the deferred months offer the best
rtunities.

The primary receipts of wheat today were large, being 2,518,000
els as compared with 945,000 bushels last year. So far stocks at
as City, Duluth and Minneapolis show a net increase of 1,832,000 bu.

Our market was of much smaller proportions today, and while
nt liquidation was not present, it was also a fact that there had
been restoration of confidence, particularly as Minneapolis, which
been the strong market of late, seemed to show a declining tend-
as the result of the movement which is about to start in that part
he country. This, in our opinion, is not too important because
eapolis remains at a very substantial premium over our market and
may sell closer to the Chicago basis when hedges enlarge.

Corn was influenced by rather general rains which were helpful to
progress. At times the September delivery showed strength be-
e of the cash situation, but with the weakness in wheat, all
res closed lower. Primary receipts were only 265,000 bu as com-
d with 2,146,000 bu last year. It goes without saying that ac-
lations cannot take place under such conditions.

Oats lacked friends. The crop is large and the movement is
starting.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 5, 1935.

English markets were still closed today there being a bank iday, but Argentina sent rather bullish news. Broomhall reports t drought continues there with severe frosts. He considers the uation to be very serious and figures on a very largely reduced eage.

World shipments were extremely light --only 6,283,000 bu versus 321,000 bu the year before. Total clearances from all the export- countries of wheat and flour on this crop since July 1, were s than 35 million bu compared with a little over 47 million last r, or 12 million bu less. When it is considered that even last r importations were exceptionally small, it was hardly expected t large shrinkages would take place this season. We look for a her strong cable tomorrow because it is inconceivable for us to nk that with the small shipments, consumptive demand will not ex- d them, and consequently, the very small foreign stocks existing t have been further reduced.

The foreign situation is no longer important to us from the nt of view which prevailed a month ago when we had to figure on exportable surplus which might have to be marketed in competition h other countries. Since the last government report, which imated the total crop in the United States at about 731 million such reductions in the crop outlook have taken place that il we receive the next report on Friday, we have to figure on imum yields of say 625 million bu,,which might possibly be re- ed to 600 million bu or less if further deterioration takes place.

The reports from the spring wheat territory were also again to effect that the prospects for good quality are diminishing; that re will be a great deal of light test weight; in fact, some so that it will not be millable. This naturally works two ways; it inishes the ~~quality~~ quantity if some of the wheat will have to be fed and l not be usable for human food, and then it will require more hels to make a barrel of flour than last season, therefore in- asing consumption.

The Agricultural Department also furnished today the estimated nt of wheat which was stored with commercial mills on July 1, and e we have all the official figures now, we have a basis of 170 lion bu for carryover on July 1, compared with 303 million last . The details are as follows:

	1935	1934
Farm Reserves	42 million	60 million
Country Mills and Elevators	31 "	46 "
Visible	29 "	81 "
Commercial mills	58 "	102 "
Transit	10 "	14 "
Total	170 "	303 "

Should we now calculate on a normal consumption of 610 to 625 lion bu, which might be somewhat increased this year on account of ht test weight, it is quite likely we shall have to again import ious grades of choice wheat this season from Canada, and we might licate last year's importations, which had been close to 15 or 20 net. Last year our stocks were reduced 133 million bu; the shrink- e would have been still greater had it not been for the purchases of t from other countries. We therefore still cannot be entirely fferent to the values of world's prices, should we be compelled raw some of our supplies from Canada, and with the 42¢ per bushel t,of course, it will require a reasonably high level so that this be accomplished.

The crop in Canada has also gone back during the past month, t the way it looks at the present time it will likely still yield million bu in the three western provinces with a good crop in the sern part. So with a carryover of 205 million bu there will be no on to fear any actual scarcity either here or abroad.

The movement which had been delayed so long is gaining momentum, and receipts at interior points, such as Wichita, Hutchinson and Salina were 293 cars today compared with 130 in 1934. The primary movement is also much heavier ~~p~~-being 2,954,000 bu against 1,284,000 the year before, and it now remains a question of how long this will continue. We ourselves believe that in the winter wheat territory the peak will be reached in about two weeks or less. The visible supply increased 5,525,000 bu versus 2,209,000 last year; but the total is still 77 million bushels less. The amount in the visible supply of less than 34,000,000 bu is rather small for this period of the year compared with past years during the last decade, and particularly so as the open interest is increasing, being now approximately 94 million bushels against 80,662,000 only a week ago. It clearly shows the opinion is gaining ground that the whole situation has altered and the time has passed when a pessimistic view should be taken as to ultimate values.

At the close the wheat market showed an advance of 2¢ per bu.

As far as corn is concerned, receipts continue to be extremely light --primary movement being only 343,000 bu whereas last year it was 2,579,000 bu. The visible supply decreased slightly today, being 5,525,000 compared with 42,293,000 the previous season. However, little attention was paid to same, as crop prospects continue to be excellent, and with the exception of a few small territories the moisture situation is still quite satisfactory.

Oats recovered from the sharp declines of Saturday, but the movement is fairly well started now, and probably will continue for a long time, as no complaints are being made that the big estimates as to yields will not be realized.

Rye closed higher in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
AGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO August 6, 1935.

Next Friday the Agricultural Department will issue its report the estimate of winter and spring wheat crops for this season. will then become very important to size up the likelihood of this ar's consumptive demand. With a crop of 496 million bushels dur- g the past season, we reduced our carryover 134 million bu, which aving everything else out of consideration, would lead to the con- usion that our consumption must have been approximately 630 million . However, there were importations of 25 million bu of wheat and ficial exports of 20 million bu, making net importations 5 million , which would enhance the consumptive estimate to 635 million bu. assume, however, that about 10 million bu of low grade wheat were ported for animal feed. If this assumption is correct, last year's eat requirements amounted to about 625 million bu. This fully ecks with the commonly accepted theory of our domestic needs. This ing season probably less feed will be used for animals, owing to prospective plentiful supply of coarse grains. On the other hand, milling quality is very much poorer, and it will require a great y more bushels to make a barrel of flour than it did in 1934. We e, therefore, come to the conclusion that our minimum require- ts this coming year will be 625 million bu, which amount may have be increased somewhat later on.

We are somewhat skeptical as to whether the Government figures l fully confirm the pessimistic reports by private experts, but we ognize that in any case, they will predict a very small crop in United States of not more than a year's consumption, and possibly s, so that our next carryover will again be very moderate. If s reasoning is correct, there is nothing in sight upon which to k for a low level of prices anytime this year. It is true some at may be imported, but this will only be the case if prices re- n high, but would stop immediately on sharp declines.

The foreign situation, while not as disastrous as it looked e time ago, is still not very encouraging; the Argentine crop spects are very bad and the drought seems to continue, making it e that the acreage will be very heavily reduced. However, this very largely offset by excellent yields in Russia on a heavily reased amount of land under cultivation. So that Europe, with its fair crops, is and will remain reasonably independent. The fact t so far since July 1st North America exported only about 11 mil- n bushels of wheat compared with 17 million the previous year ws that the importing countries are still waiting for further lines in Canadian values before buying heavily of their product.

The Canadian crop also has suffered more or less from rust, from all reports the damage has not been anywhere near as serious in the United States, as a 300 million bushel crop is still a sibility, which with the large carryover of 205 million bu will oubtedly make that country an anxious seller during the next twelve ths.

Liverpool wheat cables after two holidays showed an advance of y 5/8¢ per bu at the close. Their wheat values still remain about per bushel below ours on an average.

Toward the close there was heavy realizing, fears being felt t with the high premiums at Minneapolis for choice wheat we are y near an importing basis, and that minor transactions of that d are taking place right along.

Country receipts in the Southwest were somewhat lighter today still heavier than last year --Wichita, Hutchinson and Salina re- ving 91 cars versus 58 in 1934 parallel day. The primary movement tinues to be heavy --1,668,000 bu against 844,000 a year ago. ertheless premiums for cash wheat in every market keep very high -- the Southwest they even gained on yesterday. There is no trouble selling cash wheat to both millers and elevators, as the fear is sting that if accumulations are not made now the movement in about or three weeks will drop off so sharply that it will be too late fill empty elevators to good advantage.

At the close the final figures were 1 3/8¢ per bu lower than previous session, some bearish sentiment being created on account the great weakness in corn.

Primary receipts of corn were only 166,000 bu whereas last r they were 2,200,000, but are overshadowed by the wonderful crop spects which have improved again due to timely rains in various

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parts of the corn belt. Lambs, sheep, hogs, cattle, etc., are all selling at unprecedentedly high prices, thus indicating that their numbers have been greatly reduced, all of which, of course, means less feeding and should create a very bearish feeling should the present crop materialize as it looks at the present time.

This also affected oats, which however declined only moderately.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

August 7, 1935.

When the government report a little less than a month ago stimated the combined winter and spring wheat crops at 731 million u, a very bearish situation existed, in view of the reasonably avorable crops in Europe and prospective good yields in both Canada nd Russia,with a tremendous carryover in the former country. There as nothing in sight to justify higher prices. During the short eriod of three or four weeks much has been changed. The United tates' position altered to the extent that from having been a rospective exporter, it now appears as if she would become an im-orter. The quality of the wheat in the spring wheat territory de-eriorated to such an extent that some of it will only be fit for nimal food; and a large share is of such light test weight that it ill take a great many more bushels to produce a barrel of flour han in normal years. Canadian prospects have also deteriorated nd the Argentine outlook is very poor. We do not believe that the hanges for the world at large have been anywhere near as extreme s those affecting the United States. Even with the reduction of rospective yields in some of the exporting countries, there is ikely to be plenty of wheat to supply the importing nations suf-iciently, so that the general level of prices abroad is apt to re-ain low.

Liverpool figures declined again today, about 1¢ a bushel, n anticipation of possible rains in the Argentine. The March future s selling at 77 3/8¢, which compares with our May at 94¢.

We assume that the next government report to be issued on riday will be such that little doubt will exist in the minds of raders that our total supplies, including the carryover and con-idering the poor quality, will necessitate more or less large im-ortations of Canadian wheat and the conundrum now will be just what uantity will be imported to relieve this situation. The latter s no longer a theory --transactions have been taking place right long of that kind, but it is difficult to get at the actual figures nd hazard a guess as to the volume. We understand, however, that ome choice Canadian wheat was sold to Buffalo at $1.32 duty paid. his including the 30-cent processing tax makes a pretty high price or the consumer and finally might curtail consumption. Therefore, t is quite clear that these importations would only assume large roportions on advancing markets, and as there is almost an unlimited mount of wheat available in Canada, there is also a ceiling as to ow high our prices can go. On any decline these importations ould stop or decrease, so it is also unlikely that there will be any harp declines or permanently lower levels.

In the meantime cash premiums in every market are well aintained and probably would still be higher if we were entirely de-endent upon our domestic supplies.

The primary movement under the stimulant of these big pre-iums which are being realized is still very heavy compared with ast year when the movement at this time had already dropped off onsiderably. Today's figures were 1,920,000 bu versus 692,000 arallel day in 1934. However, there was some falling-off at nterior places in Kansas which might soon be reflected at terminal oints. Receipts at Wichita, Hutchinson and Salina were only 99 cars gainst 93 the previous season. Stocks at Kansas City, Duluth and inneapolis so far this week show an increase of 791,000 bushels. e look for another fair-sized increase in the visible supply, but e have no idea that our visible supply at any time will be as large s it was last year at this period.

Speculation is increasing as indicated by an addition in the pen interest of over 2 million bu yesterday, which now amounts to

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over 98 million bushels, and has gained almost 30 million bushels from the lowest figure. Fluctuations today were rapid, traders not venturing very far in view of the many contradictory situations, and at the close the change compared with yesterday was only 1/4¢ per bushel higher.

Corn receipts continue to be extremely small, primaries showing only 174,000 bu against 1,056,000 a year ago, but these are being overshadowed by the wonderful crop prospects. As far as the Southwest is concerned new crop supplies ought to be more or less available in larger quantities in a little over a month from now. It looks to us like a season of plentiful supplies for feedstuffs with comparatively few animals to which to feed them. This combination finally we believe will bring about a considerably lower price level; but it is a little too early to count as a certainty the large prospective yields as some reduction is still possible should unfavorable weather set in.

Oats are likely to share the same fate as corn with the exception that the former crop is already made.

Rye we think will be plentiful all during the year and pay good carrying charges; therefore see nothing much on the constructiv side.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 8, 1935.

Strange as it may seem, in spite of the fact that everybody ow recognizes that we are on a strictly domestic basis, foreign inluences are still the dominating factor. This is due to the fact hat even with a 42¢ per bushel duty we are on an import basis; and f course will be more so should foreign markets decline further. t is acknowledged now that the Canadian crop prospects have gone back onsiderably, but it is difficult to figure out why Canada will not ave for reserves and export a surplus, including her present carryver, of 400 million bushels. Therefore, the action of the Governent agencies there will probably decide the world prices, and inirectly will also have a great influence on values in the United tates. We believe, of course, that in extreme cases the duty could e raised still further, but any such action would be rather difficult litically, as all our efforts are in the direction of increasing r foreign exports, and a higher tariff might bring retaliation. We, erefore, have to continually keep in mind that we are not entirely dependent should the Canadian Wheat Board decide to take advantage the situation and offer its wheat freely to all prospective buyers.

The Liverpool market showed extreme weakness today, declining om 2 to 2 1/4¢ per bu. This was caused by some rains in the gentine where the drought now seems to be broken, although it is nerally recognized that the large amount of damage which has been ne already is partly irreparable. Argentine shipments are estimated be only 3,307,000 this week compared with 6,133,000 bu same time year ago. The Italian crop promises to be considerably larger an in 1934; estimates place the yields at 280 million bu versus 3 million last year. The French crop probably will be much smaller, wever, various other countries in Europe still have large quantities old wheat to sell with few nations willing to buy. It is claimed at Germany will have a large surplus of grains this year; and Poland also offering grains at ridiculously cheap prices; even Sweden is ported to have extra reserves of about 20 million bushels of which would like to dispose.

It was difficult under the circumstances, in spite of the bullish nestic situation, to hold small advances which had taken place early day, and the speculative feeling remains rather uncertain. There is change in the very pessimistic reports coming from the spring wheat rritory, and the extremely bullish situation existing for cash eat in the Southwest.

The open interest increased again yesterday 1,609,000 bu and now almost 100 million bu. Much uncertainty still exists as to at tomorrow's Government report will show. If the estimates of private experts are confirmed we believe it will be considered very bullish.

Primary receipts continue to be heavy --1,729,000 bu against ,000 last year, but show some falling-off compared with last week n they were 2,091,000 bushels. Stocks at Kansas City, Duluth and neapolis so far this week show an increase of 1,428,000 bu. Wheat eipts at interior points show a material let-up, being only 100 s at Wichita, Hutchinson and Salina versus 94 the year before, s indicating that the movement to primary markets in the Southwest also diminish soon.

After many fluctuations there was a final decline for the day /8¢ per bushel.

Traders will remain in a rather uncertain mood until they learn the Government figures tomorrow afternoon, and also until more is wn about how the Canadian wheat crop which will soon come on the ket will be handled.

The corn crop prospects continue to be excellent. Hogs adced to a new top, showing there is an actual scarcity; and we icipate that the coming season will make a record for small consumpn of feed. Therefore, we believe present prices for both December May corn are very high. As far as old-crop futures are concerned, carcity of available supplies continues, and very high premiums being paid for the few cars arriving daily. We look for a further rease in Chicago stocks, which is likely to continue until the new ps come on the market.

Oats receipts are not as yet burdensome, but we believe they il be soon; and after stocks are once accumulated we believe it will e difficult to hold up present prices.

Rye closed lower in sympathy with the other grains.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
V YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 9, 1935

Trade in wheat was extremely light today, which is the usual currence on days when a government report is to be issued after e close of the session. There is more than the usual interest own in the figures which are to be given out this afternoon be-use it is very seldom that such radical changes take place in one nth as were experienced this year, particularly in the spring wheat rritory.

Furthermore, the yields in various fields vary so much that for layman it is more difficult than usual to size up the results. How-er, after we receive the estimated yields this afternoon from the ricultural Department, there still will be many debatable points ich will be difficult to answer. The report will give the number bushels that are likely to be raised, but it will leave untouched atever may be the results on account of the poor quality. Last year e quality was above average, while this season it is way below, and w many more bushels of wheat will be needed to produce the same nber of barrels of flour as were consumed in 1934 will be rather fficult to calculate. Personally, we believe that 4 or 5 per cent re wheat than last year will easily be required to produce a barrel flour. In other words, additional requirements of 25 million shels would not surprise us, and even this amount might be an under-timate. It will require more time, more knowledge of the actual sults of the harvest and further experience on part of the mills to ke more accurate estimates.

Cables were somewhat higher today, 5/8 to 1 cent per bushel, as earing weather was reported in the Argentine. Rains there, while ey have been quite beneficial, were not sufficient to hold out any timistic views as to the final results for this year in that part of Southern Hemisphere.

Shipments for the week were only about 3 million bushels compared h over 6 million bushels last year. Australia also cleared about illion bushels compared with 826,000 bushels last year. Russia not ship anything this week, but heavier shipments from that ter are expected shortly.

Canada has not yet formulated any positive plans as to how she l market her crop this year, although this decision undoubtedly l be made very shortly as harvesting has already commenced in itoba and soon will spread over the entire three Provinces. The endid outlook which prevailed in Canada until about three weeks has changed greatly. Nevertheless, we look for a large ex-table surplus on this year's raisings in addition to the very vy carryover which also cannot be held indefinitely.

Domestic receipts at interior points were heavier today, Wichita, chinson and Salina reporting 137 cars compared with only 79 cars t year. The primary movement is also very big, 2,250,000 bushels pared with 646,000 bushels last year, including, however, a cargo Canadian wheat of about 309,000 bushels which arrived at Milwaukee. se importations from Canada are bearish in one way, as they add our supplies; but on the other hand, it shows an absolute scarcity spring wheat obtainable only at very high prices, otherwise a duty 2 cents a bushel for these importations would not be paid. It quite clear that any further reduction in prices of Canadian wheat d affect our price level. We are therefore compelled to watch foreign situation very closely, as well as our domestic one.

Stocks at Kansas City, Duluth and Minneapolis so far this week an increase of 1,955,000 bushels, and we are looking forward to t the heaviest increase in the visible supply so far this season. eat many gains will be required before we can reach as comfortable ks at terminals as we had last year which finally disappeared to w normal. Confidence in higher prices still seems to prevail, vidended by continuation of an increase in the open interest. There

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was a gain yesterday of almost 1 million bushels, and the total is now close to 101 million bushels, or over 30 million bushels greater than during the period when the wheat crop was more promising. At the close the market showed an advance of 1/2¢ a bushel compared with yesterday.

Corn receipts continue to be extremely light, and high premiums are being paid for arrivals of the few cars which are for sale. No. 2 yellow corn brought as much as 9 to 9 1/2 cents over the September future. Total primary receipts were only 210,000 bushels versus 1,768,000 bushels last year. This also imparted strength to the more deferred futures, particularly as there were also some complaints from the Southwest about dryness. However, we think the great corn belt has excellent prospects, and that this will be confirmed this afternoon by the Agricultural Department's report.

Oats are not yet arriving in sufficient quantities to compel heavy hedging sales, but this is bound to come very soon. In the meantime the market did not vary very much today.

Rye closed a trifle higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 10, 1935.

Liverpool was quite strong this morning, apparently influencd by our Government report which was issued late yesterday. Private eports which had persistently told of rust damage found official onfirmation in the estimate for a total wheat production of 608 milion bu. The spring wheat crop showed a calamitous shrinkage from a onth ago, and was placed at nearly 100 million bu smaller than on uly 1st. This makes the yield even lower than during the rust year f 1916 when 8.77 bushels per acre were harvested as compared with n indicated yield this year of only 8.4 bu per acre--the latter eing evidence of a tremendous toll from rust damage.

It is practically a certainty that importations of high uality spring wheat from Canada will be necessary during the entire eason and transactions of this character have already taken place n a small scale. There are large quantities of wheat raised this ear which are so low in test weight that the wheat would hardly be it for milling purposes unless either clipped or otherwise treated. omething would have to be done to raise much of the wheat to the ecessary milling requirements. Many cars both in the Northwest and n the Southwest are being received which test only 50#. Even on ome of the 53 or 54# wheat, to raise it to test about 57# and make t millable would mean a loss of 3 or possibly 4 per cent. Considerng everything we believe it might easily require 650 million bu of he kind of wheat we shall raise this year to supply consumption for l purposes. Therefore, importations are needed unless we would ermit our supplies to shrink below normal carryover requirements ext year.

The heaviest loss was in North Dakota where a month ago the rospect was for 95 million bu; this has been cut to 47 million at he present time. However, losses were not confined solely to the pring wheat territory, as the Federal report last night showed osses in the winter wheat belt also. Kansas was estimated at only 5 million bu as compared with 67 million a month ago, and Nebraska ikewise has been cut from 40 million bu to 33 million at this writing.

In these circumstances it is not very likely that low prices ll prevail during the coming season. Nevertheless there are certin interests still skeptical as to how high the price might reach i view of the fact that Canada has not suffered in the same proporton as has our spring wheat; and consequently they figure that whatever shortage we have will be made up by importations of high quality sring wheat despite the 42¢ per bushel tariff.

Our market opened higher and at times was influenced by the eat strength in Minneapolis, where naturally the effects of the sortage were more felt than elsewhere. Apparently, however, enough rofit taking set in so that when corn developed weakness values receded to well below the closing figures of the previous day.

Primary receipts of wheat were large today, being 1,938,000 b against 781,000 last year. However, receipts at interior points i the Southwest are dropping off, and we presume that this will be flt at terminals before long. The season's primary movement to-date sows about 48 million bu received against 57 million bu last year, ad 47 million two years ago. So far this week stocks at Kansas City, Iluth and Minneapolis show a net increase of 2,368,000 bu. The vsible supply on Monday will show a fairly large increase, but we do nt think that at any time on the crop our stocks will reach the high pint recorded in 1934.

There was really nothing in today's news to account for the wakness, but so often as is the case even after bullish reports are rleased profit taking sets in, and despite high premiums which are wll maintained in practically all cash markets, holders of futures ocame discouraged and sold some of their commitments. In our opinion, wth any restoration of confidence small buying will probably find offrings rather light after today's liquidation.

Corn was really the leader in today's market. The comparativel large crop created the belief that with oats almost twice as large a last year and other feeds ample that it might be difficult to find eough animals to use up all the feeds which have been and are being rised. So far any sales of December or May corn are mostly in the frm of short sales, as with the idea of abundance later on present pices around the 60¢ level appear high.

Oats were somewhat reduced from the last report, but not sfficiently to cause any change in the bearish outlook.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
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MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 12, 1935.

Liverpool cables closed about one cent per bushel lower than
turday; all their futures closing practically at about 77¢ a bushel.
e decline abroad was not as great as was due, and the foreign situa-
on continues to remain very important for various reasons. One of
em is that it is always difficult to boost prices and maintain them
a high level in the United States when the whole world wheat situa-
on is depressed. Again as a more direct influence, is the fact
at this year we believe spring wheat millers will be compelled to
port Canadian wheat right through the season until another crop has
en harvested and that prices for choice spring wheat will be ap-
oximately the price of Canadian wheat plus 42¢ per bushel duty and
penses, such as freight, etc. This situation prevails at the pre-
nt time, and it is reported that about 500,000 bu of Canadian wheat
s purchased the last few days for the Duluth market, and while
nnipeg August wheat is selling about 83¢, choice cash wheat in
nneapolis is selling about $1.30. Any radical change, therefore,
either world's prices, which in turn would affect Canadian values,
uld be bound to have repercussions in the spring wheat markets.
e effect might not be as great in Chicago, as the kind of wheat
ich is deliverable here on contracts --2 red wheat- is already
lling at very big discounts compared with all others, either spring
hard winter wheat, and therefore should not suffer in proportion.

Now, looking at the foreign situation, it is not particularly
couraging. World's shipments this week were again extremely light,
ing 6,345,000 bu versus 11,712,000 last year; and the total since
ly 1, is 41,148,000 bu compared with 58,827,000 bu --almost a dif-
rence of 18 million bu in this short period. This, of course, is
rtly at the expense of foreigners letting their stocks run way down;
d the amount on passage is one of the smallest that we remember in
cent periods --only 16,696,000 bu compared with 37,064,000 bu in
34.

Europe is still buying from hand to mouth, being uncertain
ether Canada will offer her wheat freely when the new crop comes on
e market, or whether she will be willing to again carry over 200
llion bu, which has been done now for several years in succession,
ther than depress world's prices so much. Nobody knows and it will
an uncertain quantity for sometime.

In the meantime, however, the domestic situation is strengthen-
g all the time, and we believe that unless the burden of importa-
ons should become too heavy, that the present price level is easily
stified, and at times we might see great improvement. Presuming
at even from 30 to 50 million bu of Canadian wheat should be im-
rted, and adding this quantity to the government figures on our
op of 608 million bu, would give us only 658 million bu.

We understand that most of the important elevator concerns
the Northwest believe that spring wheat estimates will still have
be further reduced, because such a large quantity of the crop is
ally not fit for human food; and another part is of such low
ality that it takes a greater number of bushels to produce a barrel
flour, so that our ordinary consumption of 625 million bu might
ow this year to 650 or 675 million bu.

In the meantime the market is suffering from heavy hedging
les which had been delayed, and which have to be absorbed now in
creasing quantities. The primary movement since July 1st up to
st Saturday this season was only 48 million bushels compared with
actically 59 million a year ago. So with a much larger crop this
ar we not only have to make up the deficiency incurred so far, but
so at the end of the year the total movement should be much heavier
an in 1934. It appears to us as if within a week or ten days we

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will have seen the peak of the winter wheat movement, and after that milling sales ought to easily absorb the daily arrivals and later on cut into our stocks. Anyhow the carryover is so much smaller, and we doubt if the visible supply at any time will reach the same proportions as was accumulated last year. Total primary movement today was 2,753,000 bushels against 1,273,000 a year ago, slightly smaller than the previous week when it amounted to 2,954,000 bu. The visible supply showed a large increase of 8,385,000 bu, whereas in 1934 at this time we already had passed the height of the movement, the increase at that time being only 995,000 bu. The totals of 43 million bushels this year against 113 million a year ago show a difference of 70 million bu less this year than last; therefore less pressure for the time being.

At the close the market was 1 7/8¢ per bushel lower than Saturday's final figures.

Corn receipts continue to be extremely small, confirming th lightness of stocks left in the country. Nothing seems to tempt the farmer to sell much of this cereal, as he feels that he needs it himself for feeding purposes until another crop is harvested. Primar receipts were only 210,000 bu compared with 2,334,000 last year. Nevertheless owing to the very favorable crop prospects new corn futures show further heavy declines, and the conviction is quite general that the picture regarding feedstuffs will completely change. From a scarcity which had prevailed for so long there will be great plenty now.

This also refers to oats and rye. Oats receipts were quite heavy today, and with the crop more than double of last year there will no doubt remain an abundance during the next twelve months at least. Both oats and rye closed lower.

UHLMANN GRAIN CO.

MEMBERS:
ICAGO BOARD OF TRADE
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W YORK COCOA EXCHANGE
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UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 13, 1935.

After our session closed yesterday the Canadian crop report
s given to the public. It showed a deterioration during the month
July of fifteen points. According to the figures there is a pro-
se of about 300 million bu for the three western provinces. The
ade as well as Europe gave the report a bearish construction, as
ll greater damage had been anticipated. However, it is the general
nion that further loss was incurred since August 1st, and that the
look of 300 million bu or so might be further reduced. Last year
million bu were raised. In any case, including a carryover of
nmillion bu, there will be approximately 400 million bu left for
ort and reserves after providing for home consumption and seed.

It is worth while to contemplate what would have happened
wheat prices this year had not the winter wheat been destroyed in
arge part of the western wheat belt through drought and dust storms;
later on the finest wheat prospects in spring wheat territory and
Canada been reduced to an extraordinary extent. It clearly shows
t all the artificial efforts to maintain a high level of wheat
ces will be futile the first time we raise a normal crop or better.
the last three years we have had more or less crop failures, pro-
ing less than our normal consumption, not to speak of the total
hdrawal of our efforts to remain in the export business. The fact
the matter seems to be that the farmer all over the world, who must
w his business, is perfectly satisfied to raise wheat at a reason-
y low level of prices. He would not do so were he not convinced
t on an average he is still making money no matter what is claimed
theorists about the cost of production. To raise wheat requires
y little work, it is not a major item during the growing period;
farmer owns his seed, and with the exception of harvesting costs
re is comparatively not much expense attached. Taxes are the great-
outlay, and bother him more than anything else; but they have to
paid no matter what cereal he raises.

Liverpool cables were very weak before our session opened;
y recovered somewhat, but still the close was 1 1/4¢ lower than
terday. Foreigners seem to be indifferent to almost any news
s year --they are not frightened by the small shipments from
th America, in spite of the little amount of wheat which is on
sage. According to Bradstreet, this week's North American exports
only 1,814,000 bu compared with 4,081,000 the year before same
. No heavy Argentine shipments are looked for during the balance
he season in view of the smaller stocks in farmers' hands and the
crop prospects in that country.

It was difficult to create much enthusiasm here, particular-
s hedging sales are still taking place on a very large scale.
ver, many well-posted grain traders are thoroughly convinced that
w level of prices is not in sight on this crop with the small
nt of wheat which has been raised, so that from now on we look for
dy speculative buying on any declines.

Primary receipts were still heavy --1,600,000 bu versus
,000 a year ago. Stocks at Kansas City, Duluth and Minneapolis so
this week show an increase of only 240,000 bu. High premiums are
maintained at every terminal market.

At the close the market showed a decline of 1¢ per bushel
ared with yesterday.

There was a somewhat firmer undertone in corn part of the
Receipts in Chicago were only six cars, and total primary re-
ts were 96,000 bu against 1,824,000 in 1934. We doubt whether
e ever was a time during the last twenty-five years when the move-
was as small as now. Any large concern in any one market could
rb such a quantity alone. The longs in September corn also need
onger fear that they will have to take heavy deliveries of corn
h could be reshipped from Bay ports. Such operations took place
ay, as well as in July, but stocks have now been reduced to 413,000
ompared with 4,051,000 last year; and undoubtedly this small amount
be merchandized to better advantage in the East. Cash premiums
the small receipts offered here keep up well, and #2 yellow corn
asily bringing 10¢ per bushel over the September future. The ef-
on the more deferred ones was only trivial, as it is still as-
d that the crop outlook on the whole is very promising. Neverthe-
a few complaints are coming now from some of the dry sections in
Southwest.

The oats market has to absorb continual hedging sales, and
he crop is so much larger than can be consumed there is no new in-
ive to make purchases even at the reduced prices.

This more or less holds good for rye.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 14, 1935.

Chicago received only six cars of corn today --a quantity en-
irely insufficient to supply even one of the large consuming concerns
or a single day. However, some of them were wise enough to foresee
uch a condition, and provided for their requirements from all over
he seas. A cargo of corn from South Africa is due here tomorrow. We
oubt whether ever in the history of this country did it become neces-
ary to draw any kind of grain supplies from such a distance, pay all
he freight and other expenses, including duty, and yet obtain it for
ess than it can be bought in the United States. As a general rule
e produce more corn than all the balance of the world put together,
ut due to the drought last year and the reduction in acreage we have
ow become an importer, which, however, might change again if this
ear's crop comes through all right. This scarcity of old corn caused
reat strength in the September future, which in turn affected all the
thers, in spite of the fact that crop prospects are still reasonably
ood.

Primary receipts were only 99,000 bushels compared with
275,000 bu last year; and even after the new crop moves, it will
ake some time until all the holes are filled.

This corn strength had a stimulating effect on wheat prices
rly, particularly as cables also showed an advance of 5/8¢ per bu,
d Winnipeg at one time showed greater firmness.

Crop reports from Canada continue to be quite unfavorable both
to quality and quantity, but inasmuch as the carryover on August
t is now estimated to have been 213 million bushels in all positions
e importing world need not be in a great hurry to cover its require-
nts. Broomhall estimates that the needs for the importing nations
ll be only 540 million bushels, and as the Southern Hemisphere,
ssia and the Danubian Provinces, as well as Canada, will all com-
te in order to obtain their share, there is nothing in the world
tuation to cause any great excitement at the present time. Buying
wer remains poor, and the open interest seems to be stationary at
out 100 million bushels, but more new buyers are needed for the ad-
tional hedging sales which are put on the market daily.

Primary receipts of wheat today were 1,694,000 bu versus only
3,000 a year ago; stocks at Kansas City, Duluth and Minneapolis so
r this week show an increase of 734,000 bushels.

The advance in prices of cash wheat in the spring wheat terri-
ry has probably been overdone, as choice wheat there brought about
¢ per bushel over our futures. The moderate decline at Minneapolis
ay, therefore was quite in order, but yet it had a depressing ef-
t on sentiment here. We sympathised with it and reactions took
ce from the higher prices established earlier in the day. We are
in a period when stocks still accumulate and when millers are
tious on account of the uncertainty in the processing taxes; so it
possible that our price level may remain below the intrinsic worth
il consumers catch up. In the long run we see no reason for a low
el of values; even with importations our carryover next year may be
te moderate, and the Government plans on another reduction of wheat
eage of 15 per cent of normal, all of which should finally mean
m prices.

About an hour before the close of our session the cotton market
ame quite excited, and advanced $1 to $2.00 per bale within a very
rt time. It was rumored that it is the intention of the Administra-
n to make the loan price on cotton for the coming season 12¢ per
nd. Wheat, which had been very weak until that time, recovered
this news. It shows very plainly the tendency of the Government to
ate a high level for farm products wherever they can.

The wheat market finally closed unchanged from the previous ses-
n.

The only cereal which did not profit from the excitement in the
er pits was oats. Whenever any article is over-produced so that
excess has to be carried for a long time until conditions change,
usually sells at proportionately depressed levels; and this we
ieve will be the case with oats this year.

Fluctuations in rye were very light, with prices practically
anged.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 15, 1935

Sterling exchange of late has firmed considerably, and almost ily advances have taken place. The movement was not in a sensa- onal way, although at the present rate of exchange the pound erling is selling at a higher parity than the old-time rate of .86. We believe that in a large measure this is due to our heavy rchases of silver abroad which necessitates continuous buying of glish currency in sizeable amounts.

As events have turned out, the desired policies of the Adminis- ation are being carried out although, we believe, in a manner ite different from what had been anticipated. Claims were made, d correctly so, that our foreign trade could not increase unless could find markets for imports as well as for goods that we de- red to export. They had in mind that we should enlarge the demand home to take care of those imports which either we could not pro- ce as cheaply or as efficiently as they could be produced abroad.

As shown by the trade balance, our importations and our exports e coming closer together. However, we are importing silver very avily, for which this country has no real need and which is simply ored in vaults indefinitely. In addition to this, our policy of luntary farm curtailment has resulted in imports of meats and hog oducts, also various cereals, which was not formerly the case. Re- tly we have also been spending a great deal more money for tourist ade abroad, all of which enables foreigners to increase their pur- asing power here, should they choose to do so.

If we persist in keeping our level of prices above the world in eral, we shall not receive the full benefit of this changed trend affairs. However, we see a step in the right direction toward rrecting this in the announcement of the AAA that it is the in- tion to ask wheat farmers,who have signed the reduction agreement, reduce only 5 per cent of the normal acreage instead of 15 per nt, as was contemplated earlier.

We have been importers of various cereals for about three years more, and if conditions could so shape themselves that we would ain assume our position as heavy exporters of agricultural products, ch we are so capable of doing, it would benefit immensely the lroads, the middleman and many direct and indirect interests, and should then feel that we are on a much safer foundation upon which build than heretofore.

Cables were quite strong before our session opened, due chiefly the small Argentine shipments amounting to only 1,306,000 bu. pared with 3,494,000 bu. last year. The visible supply also 7 million bu. smaller than it was in the parallel period in 1934, we are looking forward to much smaller clearances from the thern Hemisphere for the next twelve months.

On the other hand, Russia has started with shipments of 648,000 this week. The trade is not prepared for heavy exports from t country, but Russia always is an unknown quantity, and sometimes ers great surprises.

The primary movement is still keeping up, although there is a rease compared with last week, but a large increase compared with t year, today's receipts being 1,443,000 vs. 1,729,000 bu. last k and 669,000 bu. the previous season. Stocks at Kansas City, uth and Minneapolis so far show an increase of 1,118,000 bu. which not excessive, particularly as the open trades are still increas- , now being larger than for sometime - almost 102 million bu. It possible that in view of the optimistic feeling which prevails arding prices, the situation can be taken care of until the peak the winter wheat movement will be over, which will be the case in ew weeks.

(OVER)

It is gratifying that the firmer tone, with which the market started today, was more or less maintained to the end, final prices closing 3/4¢ higher than yesterday's close.

New regulations were issued yesterday for trading on the Canadian Exchange. If we understand them correctly, it will be prohibitive to sell wheat short; nor will hedges be permitted on wheat outside of the Canadian variety. This will confine the trading entirely to buyers, either speculative or anticipating consumptive requirements, or to hedgers against the actual grain. We believe that with these restrictions it will be difficult to find speculative buyers, as they would have to think about the time when they would wish to sell, and with the restrictions imposed upon sellers, it would make it a narrow and dangerous market. We believe, therefore, that the system will not work and probably will be changed from time to time and improved upon.

Old crop corn futures remained very strong. The situation is getting tighter right along and corn is becoming scarcer. There were 105,000 bu. sold out of this market, and it will be difficult to replace it; but this had only a moderate effect on new crop futures, although they also closed higher, mostly due to fears that continued absence of rain in the Southwestern corn belt might do some damage.

Oats changed but very little.

Rye was somewhat higher in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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OMMODITY EXCHANGE INC.

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TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 16,1935

There were frosts reported overnight in parts of Alberta and the
ınipeg market, which had very small fluctuations of late, advanced
ısiderably over the previous day. Whenever there is frost it takes
veral days before the size of the damage can be accurately estimated.
this date the plant should have developed sufficiently so that the
nage should affect the quality more than the quantity. However, the
op is rather late and some apprehension is naturally felt. With the
rryover of 213 million bu, even though rust has already taken a tre-
ndous toll, the conviction still exists that Canadian supplies will be
entiful in any case. However, Canada is virtually the only country
ch has a very large surplus of exportable wheat this year, and there-
re any changes there in the outlook of yields will have to be closely
ched. There was trading today for the first time in October and
ember wheat at Winnipeg, but any market which does not permit free
ding, as regards both buying and selling, cannot carry out its func-
on. The fluctuations do not necessarily express fully the views of
ders, as long as they are not permitted to operate according to their
nions.

Liverpool cables closed very strong, advancing 1 5/8¢. There is a
tle more interest shown in wheat on account of the small shipments
m the Southern Hemisphere. This week Australia cleared 1,173,000
compared with 2,209,000 in 1934. The remaining exportable surplus
estimated at less than 20 million bu compared with 60 million bu the
vious season. A similar situation exists in Argentine where last
r 63 million bu were shipped after this date and where a great re-
tion, by comparison, will take place during the next four and one
f months. Were it not for the fact that there are still hopes,
part of European buyers, that Russia will raise an excellent crop
s year and that she, together with the Danubian Provinces, will be
e to furnish supplies on a largely increased scale, there would be
tle hope left for European millers to fill their requirements to bette
antage later on. They still think they can tire out Canadian hold-
who will not repeat previous experiences and who will finally sell
ir surpluses this year whenever there is a good opportunity.

Domestically, there was very little news of importance. The movement
the Southwest is keeping up a little longer than the trade expected,
receipts at interior points were quite fair, Wichita, Hutchinson
Salina handling 162 cars compared with 100 cars on similar date last
r. Primary receipts were very heavy, and with the start of the
ing wheat movement, we naturally expect same to continue for several
ths. Today's receipts were 2,036,000 bu compared with 697,000 bu the
e week in 1934. Stocks at Kansas City, Duluth and Minneapolis show
increase so far this week of 1,500,000 bu.

The milling demand is only fair and it seems, owing to the uncer-
ities about the processing tax, less flour is being purchased in ad-
e than in other years. This, of course, will finally be no in-
ence on prices, but at the present time it certainly furnished no
ulant, which is so badly needed since hedging sales still take
e in reasonable volume. The flour production for the week ending
ist 10th, from the same points reporting to The Northwestern Miller,
nted to 1,071,000 barrels compared with 1,185,000 in 1934; and buy-
from hand to mouth continues on part of consumers.

At the close our market showed an advance of 3/4¢ per bushel.

Scarcity of old corn continues. Primary receipts were only 184,000
ompared with 1,435,000 bu last year. As long as the good promise
he growing crop is being maintained, the more distant futures have
le chance of advancing much in sympathy with the strength of the
article. In a few months, or sooner, new corn will be available
ost Southern states, and then gradually harvest will advance until
ecember or January we might have great abundance and all the
ent deficiency in stocks might be made up soon.

Oats continue to be offered in larger quantities than are wanted,
prices are receding slowly and steadily. Rye was neglected and
es were almost unchanged.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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YORK PRODUCE EXCHANGE
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MMODITY EXCHANGE INC.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 17, 1935.

There had been several reasons for anticipating a strong
able from Liverpool this morning. First of all, the frost reports
Alberta yesterday had stimulated buying in Winnipeg, with the re-
ult that their futures had reached the upper limit permitted in a
ngle day's trade. Second, the world shipments on Monday will pro-
bly be the smallest in many years, and possibly the smallest ever
corded at this season of the year. Russia, Argentina and Australia
ve furnished only a little over 3 million bushels, and we doubt
ether Canada and other sundry countries have put much afloat. The
mparison will be made with shipments that last year amounted to
,752,000 bu and the previous year, 11,712,000 bu. In any event,
rope is apparently unconcerned over supplies, and they have ex-
rienced occasions where August frost in Canada probably did more
mage to the quality than to quantity. Were it not for the fact that
e Canadian supplies remaining from previous crops were about the
cond largest in the history of that country, it might be a dif-
rent situation; but there remains sufficient fine quality wheat to
event too much apprehension at this time.

With Liverpool apathetic, our market opened somewhat lower,
d it was difficult to arouse any enthusiasm from buyers particular-
when September corn became weak and was subjected to liquidation
local traders. During the past week the market has had to absorb
ditional quantities of hedges, and the milling demand has been
ther indifferent. Therefore, whatever price advances have taken
ace arose from confidence that traders placed in the ultimate
tuation. It is generally conceded with the crop in this country
aller than domestic needs and of poor quality that we will be com-
lled to import Canadian wheat from time to time, but of course pre-
nt supplies are ample for all requirements.

There is a growing feeling that after the immediate pressure
s subsided that confidence will be restored. Generally speaking,
emiums are pretty well maintained in all cash markets, and should
e milling demand improve we can easily foresee a greatly changed
cture. Interior receipts are falling off in the Southwest, and
believe that the new pressure from now on will be light.

Primary receipts of wheat today were about double of what
y were a year ago --1,531,000 bu compared with 795,000 in 1934.
cks at Kansas City, Duluth and Minneapolis showed this week a total
rease of 1,825,000 bu. We are looking forward to a fair increase
the visible supply on Monday, although total supplies will still
vastly smaller than they were either last year or the preceding
. At one time there was considerable narrowing between September
December wheat, which we believe was largely accidental. It so
pened that liquidation came mostly in the December contracts, but
e correction took place even before the close, With Chicago still
eiving large carlot receipts we do not believe that hedgers in the
rby future should have any cause for alarm.

Corn, as previously stated, was weaker, and the fact that
e cash corn was destined to Chicago from Texas took comfort from bull
September who had been mindful that the smallness of last year's
p might find fulfillment in finally even a greater premium over
ember than which exists at the present time. Whenever any trading
th gets to a premium of 20¢ over a successive future it naturally
omes a target. This apparently has occurred, but unless the move-
t from Texas is enlarged greatly we doubt whether September and
ember futures will come much closer together.

Oats and rye were affected by the weakness in the other
eals. Oats went to a new low figure on the crop; and this is the
rd Saturday in succession that this has occurred. Buying power
the moment seems restricted and speculation is not nearly as en-
siastic as was the case a few weeks ago.

UHLMANN GRAIN CO.

There had been several reasons for [illegible] from Liverpool this morning. First of all [illegible] rts yesterday and stimulated buying in Chicago [illegible] that their futures had reached the upper level [illegible] week's trade. Second, [illegible] the smallest in many years, [illegible] at this season of the year. Russia, [illegible] shed only a little over 3 million [illegible] demand and other early estimates [illegible] will be made with shipments that [illegible] and the previous year, 11,5[illegible] is generally considered [illegible] ed conditions were August frost in Canada [illegible] to the quality than to quantity. [illegible] forgotten supplies remaining from previous [illegible] bought in the history of that [illegible] attention; but there [illegible] has been appreciation at this time.

With Liverpool [illegible] was difficult to [illegible] traders. During the [illegible] quantities of wheat, and [illegible] indifferent. Therefore, [illegible] froze confidence [illegible] ation. It is generally [illegible] to import [illegible] supplies are ample for all [illegible]

There is a [illegible]

[illegible] Duluth and Minneapolis [illegible]

[illegible]

Corn, as [illegible] was dumped in Chicago [illegible]

[illegible] affected by [illegible]

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

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141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 19, 1935.

World shipments during the past week were only 6,466,000 bu ompared with 10,752,000 bu the corresponding week in 1934. We question whether during the last twenty-five years importing nations ever urchased so little foreign wheat at this period of the season. It s difficult to explain, but no doubt the financial situation in any of the impoverished European countries has a great deal to do ith it.

The total importations of all countries of wheat and flour ince July 1 up to date amount to only 47,614,000 bu versus 69,579,000 n the previous year, or a decline of almost 22 million bu. This is tremendous falling-off when we consider that last year was also a ry poor year for exporters.

In the meantime European supplies are going down and the onssage shows only 15,824,000 bu against 40,408,000 bu in 1934, which s also extraordinary. It was therefore no surprise that despite r decline on Saturday Liverpool cables advanced, showing a gain of per bushel.

Were it not for the tremendous carryover of Canadian wheat, ere would exist one of the most bullish situations, as not only e importing world, but also the United States will depend upon nada for supplies. Outside of North America all the exporters toether furnished only 3 million bu of wheat. However, English buyers e still holding off, being convinced that Canada will finally take vantage of this state of affairs and reduce her stocks, in which se there will be plenty for everyone. Canada alone could easily ip 6 million bu a week, or as much as all the exporters cleared ring the past week.

Despite the strength abroad, our market acted indifferently the opening and very shortly afterwards registered further deines. As there is nothing very bearish in the domestic situation is weakness can only be explained through further liquidation of ptember wheat. Inasmuch as wheat has declined from the high point r 10¢ a bushel, many losses have been incurred and there is more less discouragement among the holders who had accumulated this real in anticipation of higher prices. Until the hedging period over any liquidation has more than the ordinary effect.

However, in the long run we assume that the statistical posion in this country will gradually improve, beginning first in the uthwest. The receipts in Southwestern points, Kansas City, Omaha d St. Louis, showed a considerable decline compared with last week, l of which we think will continue. The receipts in the Southwest pend almost entirely upon farmers' sales from Nebraska, Kansas and ssouri. It is true that there is some wheat coming from the Pacific ast and perhaps a little from Oklahoma, but most of the latter will to Texas and will not amount to much. Those three states, accordg to the government report, raised 114,467,000 bu. We assume that out 20 million bu will be needed for seed, leaving only 94 million for consumption. So far on this crop primary receipts at Omaha, chita and Kansas City amounted to 31,586,000 bu; therefore if every shel would come to primary markets the total amount could not be re than 63 million bu for the balance of the season. Kansas is one the largest milling states in this country and a great deal of eat is used in the interior, never coming to terminal points. With er ten months, or two hundred fifty business days left before another op, we do not see how after a little while there can be any period ere primary receipts will be heavy; and the accumulated stocks will on be reduced.

(over)

The picture, of course, in the Northwest is different. The movement will continue there for some time, but a large quantity of the wheat is of very low test weight, and the stocks at Minneapolis and Duluth are so small that they need replenishing and can be easily absorbed. We, therefore, see nothing but an encouraging situation in the long run.

Primary receipts are still big compared with last year-- 2,368,0 bu against 989,000 last year; a larger amount consisted of spring whea, as with the almost total failure a year ago the movement in the Northwest then was very light. The visible supply increased 6,127,000 bu versus 8,385,000 bu last week and 1,794,000 bu the previous year. The total still remains very small-- only 49 million bu, and is 65 million bu less than in 1934. We doubt whether we can ever make up this difference on this crop; and even in 1934 stocks in the visible supply at the end of the crop year were quite small.

The corn movement keeps very light; primary receipts were only 344,000 bu, whereas last year they were 2,308,000 bu. The visible supply shows another decrease of 340,000 bu. There is still fear that there might be an early movement of Texas corn to supply the shorts in this market, but we have very often seen that early sales from Texas had to be repurchased as weather conditions interfered with such an early movement. There were good rains in most of the corn belt; and crop prospects continue to be highly favorable.

The oats movement is big, primary receipts being 2,307,000 bu, with only 318,000 the year before. Heavy accumulations took place during the week, the visible supply increasing 4,125,000 bu. We think deliveries will be heavy every delivery month and differences will gradually widen from one future to another.

There are more hedging sales in rye now, and an early advance of about 1¢ per bushel could not be maintained.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 20,1935.

Liverpool showed a very firm undertone again today, their
itures finally closing at an advance of 3/8 to 5/8¢ per bushel.
iropean prices are gradually creeping up a little.

The world statistical situation has shown considerable improve-
ent of late. Last year Argentine shipments for nineteen weeks, from
igust 22nd to January 1st, were 61 million bushels, and Australian
iipments during the same period were 35 million bu, a total of 96
llion bushels. On August 1st, 1935, the estimated stocks for both
untries were 52 million bu. for Argentina and for Australia, 34
llion bushels; a total of 86 million bu, part of which of course
d already been shipped during the last three weeks. Consequently,
nsidering their home consumption and the fact that not every bushel
n be disposed of, it is quite evident that this year's supplies from
e Southern Hemisphere will be very much smaller until their new
ops are brought to market. The crop outlook at this time is also
t very favorable, as the recent rainfall in the Argentine was too
ght to have any material effect upon the crops. Good soaking rains
e needed; but in any case the prospects for yields like last year's
e not very favorable.

Threshing returns in the Balkan states are also disappointing.
e French crop probably will be 60 million bu smaller than last year
d Italy, with a war in sight, probably will have an increased con-
mption. All now depends upon Canada, which is the only country that
s an overabundance of wheat to sell, but no disposition to take ad-
ntage of the situation has been shown as yet. Canadian exports since
ly 1st of this year were about 11 million bushels less than in 1934.
e Winnipeg market shows strength, and until greater inclination is
own to offer their wheat at world prices, a comparative tightness
ll continue.

Broomhall estimates the importers' requirements at 10,385,000
a week. The order cannot be filled without large shipments from
nada, and that country will also have to supply the United States
h at least moderate quantities right along.

So far up to August 10th importations of Canadian wheat for con-
uption amounted to 727,000 bu versus 138,000 bu the previous year.
ng to the late crop in Canada, the movement is much smaller than
t year. Possibly the policy will be changed when liberal farmers'
iveries start.

As far as the domestic situation is concerned, we pointed out in
market letter yesterday that according to all known statistics it
l be impossible for the Southwest to have a large primary movement
m now on. Today we are more convinced that this assertion is cor-
t, as a sharp falling-off in the primary receipts has occurred al-
dy for the second day in comparison with a year ago. Receipts at
sas City today were 80 cars versus 246 last week, Omaha 69 cars
inst 119 last week, and St. Louis 70 against 101 cars.

The trade had figured right along that with a reduction in the
ement of winter wheat an increase in spring wheat receipts would
e place and ease the situation to some extent. Today, however,
of our eminent crop experts, Mr. B. W. Snow, came to the conclusion
t the government's estimate on spring wheat was about 30 million bu
high and that further damage has taken place. Should he be correct
his assumption, the total yields in the United States would have to
reduced to about 580 million bu, with a prospective consumption of
million bu. We are placing the figure for consumption higher than
t of last year, owing to the poor quality this year which neces-
iates more bushels of wheat to a barrel of flour.

(OVER)

There is gradually increasing recognition that with the short cro raised in the United States this year low prices are not likely to pr vail; and the open interest is steadily growing, having now reached a new high point of late-- 102,500,000 bu.

Primary receipts were 1,441,000 bu compared with 804,000 bu in 1934; and stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 370,000 bu. This is not a great deal when it is considered that the spring wheat movement is on in earnest. We doubt whether we shall see another increase in the visible supply thi season the size of the one we had yesterday.

At the close the wheat market showed an advance of 2¢ per bushel compared with the previous final figures; and we anticipate a strong cable tomorrow, partly in sympathy with the great strength at Winnipe.

The weather over the corn belt was extremely favorable overnight heavy precipitation being reported at many places where moisture will do a lot of good. Nevertheless the market kept strong in sympathy wi the sister cereal. It is reported that the state of Kansas on August 1 had 45 per cent less cattle on feed than a year ago. The Department of Agriculture reports that the United States' supply of hogs is 30 per cent less now than at this time last year; even Europe has less hogs on feed. This can mean only one thing: namely, greatly curtailed consumption of feed.

We continue to feel bearish on both corn and oats for the distan future. The supply of old corn has been so much reduced that the decreased consumption may not be felt until the new crop moves.

The oats, as well as the rye market, showed greater strength in sympathy with the other cereals, but they have not the same merit as wheat, supplies remaining very plentiful.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
:HICAGO BOARD OF TRADE
V YORK PRODUCE EXCHANGE
:W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

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MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 21, 1935.

The strengthening situation abroad is a great help to our
heat market at the present time. As we have pointed out before, it
s important now to watch the world markets, because just as we were
ependent on them in years gone by to dispose of our surplus, so we
ave to watch their prices this season for our needed importations.
f all known figures as to supplies in the United States this year
e correct, heavy purchases from Canada will be required, as with-
ut same a very acute situation might arise. However, there would
ill be plenty so that nobody would starve, but the price level
ould have to be advanced sufficiently so that greater economies than
sual would have to be practiced. In order for the United States to
e comfortable, we figure that 25 to 50 million bushels of Canadian
heat will be needed and could easily be absorbed. Therefore a
urther advance of 1 3/8 to 2¢ a bushel at Liverpool gave great en-
ouragement to holders of wheat and prospective buyers in our market.
The Winnipeg market in consequence was also considerably higher;
d of course to the extent that prices are raised in Canada our im-
rtations become more costly and difficult. The fact that the near-
st delivery of Liverpool wheat is the strongest (their October wheat
tually selling at 2¢ per bu higher than the March future) shows an
creasing interest for the cash article. Otherwise we might believe
at a possible war scare might have something to do with the advancing
ices abroad.

As it is we think that the continued bad crop reports from the
gentine, together with dwindling shipments from all exporting coun-
ies, with the exception of Canada, are causing more or less appre-
nsion now on part of foreign milling interests, which certainly are
t over-supplied with the small amount of wheat on passage.

Our price level was higher from the beginning to the close of
e session, and at no time descended to yesterday's final prices; the
t advance for the day was over 2¢ per bu. This has been brought
out without very heavy participation as yet on part of speculative
terests, although the open contracts have reached almost 103 million
shels, which in former years would have been considered as quite
derate. It must be stated, however, that at one time when specula-
on was at its lowest ebb and when discouragement was the greatest,
e open interest was as low as 70 million bushels.

The Southwestern movement continues to show considerable fall-
g off, as was anticipated: St. Louis received today 66 cars versus
last week, Kansas City 203 against 383, and Omaha 65 compared with
4 cars last week. This is only the second month of the crop year,
d as time goes on we believe millers will have to meet ~~buy~~sellers' prices
order to obtain supplies. Premiums are as strong as ever, and pos-
bly higher than at any time since the crop movement started. Pri-
ry receipts were 1,239,000 bu against 801,000 bu a year ago; also
owing a smaller discrepancy than recently. Stocks at Kansas City,
luth and Minneapolis so far this week show an increase of 839,000 bu,
dicating only a very moderate increase in the visible supply next
nday. It should always be borne in mind that the visible supply is
actically 70 million bushels less than it was in 1934 at this period.

Corn receipts remain light, primaries being only 172,000 bu
rsus 993,000 last year, confirming previous theories that old corn
not for sale in any quantity. New futures were influenced mostly
the strength in wheat, as the crop prospects continue to be favor-
le. We think when the next Government report comes out it will in-
cate a larger prospective supply than needed considering the re-
ction in animals on feed.

Oats receipts at primary markets were 1,051,000 bu against
8,000 the preceding year. We see no merit to this cereal, but as
ng as wheat keeps so strong it will naturally sympathize withit.
is also refers to rye.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
GO BOARD OF TRADE
RK PRODUCE EXCHANGE
ORK COCOA EXCHANGE
K COFFEE AND SUGAR EX.
ODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 22, 1935.

The early Liverpool cables showed some hesitancy in following
ances further. Foreigners were undoubtedly influenced by the much
vier estimated Argentine shipments than of late, which were
74,000 bu compared with only 1,306,000 last week and 3,410,000 bu
t year. Considering all we heard about the small reserves in the
gentine such heavy clearances are a surprise, but yet we believe
t this will prove an exceptional week in this respect, and see no
ason to change our mind that exports from the Southern Hemisphere
r the balance of the crop year will be only very moderate. How-
er, there were also heavier shipments from the Balkan states amount-
g to 1,176,000 bu, which includes 872,000 bu from Russia, while last
ar they amounted to only 192,000 bu. The latter country is always
unknown quantity, as it is almost impossible to approximate her
ops and her available excess above home requirements.

In any case, world importations will be much larger this week
an they had been recently, although according to Bradstreet, Canada
ll not be an important factor yet, clearances the past week having
en only 2,195,000 bu compared with 3,884,000 bu last year.

The paramount change, however, in our mind is the fact that
rope is no longer indifferent to constructive news and at the close
verpool futures had advanced from 5/8 to 3/4¢, showing a very ap-
reciable rise now from the depressed prices which had existed until
out a week ago. Argentine futures also gained again today.

During the entire session the ghost of the Commodity Bill which
s supposed to come up in the Senate was hanging over the market.
t is still doubtful whether at this hour there will be time enough
r the bill to become a law, as an amendment which had been attached
it exempting the cotton exchanges would have to be approved by
e House. With the prospective early close of the session in both
uses Exchanges may be spared for a while; the general opinion being
at it would not be beneficial to the best interest of the trade.

Domestically there was no great change in the situation. Car-
ot receipts in the Southwestern markets still show a falling-off com-
ared with last week, but the movement is still quite fair. St.Louis
eceived 84 cars against 116 last week, Kansas City 250 versus 297
nd Omaha 91 compared with 122 cars last week. The primary movement
s quite heavy, 1,519,000 bu whereas a year ago it was 672,000 bu.
owever, included in this were about 500,000 bu of spring wheat at
nneapolis and Duluth, and as long as the Minneapolis market remains
latively the strongest, it shows that no fears are anticipated that
e spring wheat movement will become burdensome. Stocks at
nneapolis and Duluth also show only a very small increase, indicat-
ng that there is a steady demand for all the arrivals. So far the
ncreases have amounted to 329,000 bu, which is only a small addition
onsidering how low stocks at both of these places have run down.
e increase at Kansas City so far this week is 681,000 bu, much small-
than a week ago.

The undertone during most of the session was rather weak, pos-
bly also influenced by some profit-taking after a two-day advance
ounting to almost 4¢ a bushel. At the close the net decline for the
y amounted to 1¢ per bushel .

Receipts of corn continue to be insufficient for daily require-
nts,and primary receipts were 211,000 bu versus 1,065,000 a year ago.
do not believe there will be any change,despite the greatest econ-
ies which are being practiced, until the new crop starts to move,
ich will not happen for some time. Consequently, there will be no
nnection between old crop and new crop futures. As far as the latter
e concerned, there were very satisfactory rains in Nebraska where
ey are badly needed; and the outlook is for a fair-sized crop --too
rge for the prospective consumptive requirements.

The oats movement has decreased somewhat. It is bound to be
asonably steady during all the year, considering the large crop which
s been raised. Primary receipts were 1,169,000 bu compared with
6,000 in 1934. The market was sagging all during the session, with
ttle inducement to make purchases even at these lower values.

Rye prices are largely influenced by what other cereals are
ing, and the trade is awaiting the effect of deliveries to be made
the first of the month.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
V YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 23rd, 1935.

Liverpool cables were quite weak before our session opened it there was some recovery before the close of the market, final ecline being 3/4 to 1 1/4¢ on the various futures.

Europe is somewhat impressed with the Russian situation, id although they are so much nearer the scene than we are, it is ipossible to foretell just how much Russia might export this season. iere is no question of a doubt that she raised a large crop on an .creased acreage, but her population is also increasing very fast .d it is difficult to figure out just how much her available surius will be. During the last two weeks Russia cleared 1,520,000 . compared with only 192,000 last year. Further large quantities ive been contracted and she should no longer be ignored as a comtitor of the other exporters as during the last few years. However doubt whether she will be able to make up the wheat deficiencies the Southern Hemisphere.

Argentina and Australia shipped this week 5,701,000 bu comred with 6,509,000 bu in 1934, but when accurate reports will be ven to us on Monday, we doubt whether the total world's exports is week will equal those of last year.

Looking further into the future, there is no argument about e largely reduced acreage in the Argentine and that Canada will ive a new and good customer this year by finding a market for modate quantities in the United States. Consequently the world's tuation as a whole is greatly improved.

Canadian farmers' deliveries are very light so far, being ly 3,340,000 bu from August 1st to August 16th compared with 498,000 bu similar period in 1934. This is due to the fact that e harvest is late; also the earliest wheat is being raised in the ovince of Manitoba, and the damage there has been greater than in e other parts of Canada. Very shortly, therefore, we look for much eater pressure in Canada, but possibly the European demand will so improve by that time. Meanwhile, almost daily transactions take ace for the importation of Canadian wheat for various parts of the ited States.

The domestic situation remains extremely strong, if the gher cash premiums which are being paid everywhere are any criteon as to the value of the actual wheat.

Primary receipts are also decreasing --total being 1,234,000 compared with 2,036,000 a week ago. Of course last year when the ring wheat crop was light, they were still smaller at 627,000 bu; t the chief point is that it seems as if we have seen the peak of e southwestern movement, receipts at Kansas City being only 218 rs versus 442 last week; Omaha 65 versus 140; St. Louis had a ttle more, but only a trifle --103 cars compared to 90.

The general feeling among traders is rather friendly to the rket, and the open interest is gradually increasing, although owly. The total, however, is past the 103 millionth figure --the ghest in sometime.

While we had several declines during the session the market bounded easily as there is no particular pressure from hedgers and en the spring wheat receipts are easily absorbed; in fact the nneapolis market was the strongest during most of the day. The crease in stocks at Minneapolis and Duluth during the week so far extremely light, only 433,000 bu; Kansas City increased 951,000 . Otherwise, we look for no great increase in the visible supply any one point, so next Monday when figures are published the gain r the week probably will be only very moderate.

At the close the market showed an advance of 3/4¢ per bu.

New crop futures of corn profited very largely from the strength wheat, and old cash corn was strong; receipts continue light, high- premiums are being paid for the few cars arriving every day, and ere is no longer any chance for large quantities of corn to be ipped here either from the Bay ports or from any other terminal rket. These were the movements which enabled shorts during May and y to fill their contracts, but in September they will have to dend entirely upon existing stocks in Chicago, and the hope that posbly longs may not demand delivery. Crop prospects remain excellent.

Rye and oats benefited from the firmer tone in the other reals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
W YORK COCOA EXCHANGE
YORK COFFEE AND SUGAR EX.
OMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 24, 1935.

Liverpool was again indifferent to news from this side. Even
hough they had broken rather sharply yesterday, they failed to re-
over appreciably this morning, and we presume that this must be due
ntirely to the intervention of Russia in the export market. The
atter country is in course of garnering one of the finest crops in
uality and the largest in quantity that has been harvested for many
ears, according to information which we receive from abroad. Def
nite figures as to export estimates are not easily obtainable, but
ome believe that possibly 25 million bu of wheat will be exported
uring the coming year.

As an offset to this, there can be little doubt but that ship-
nts from Argentina after the first of the year will be very small.
st year 18,804,000 acres were seeded to wheat and the year prior
on a greater quantity, although this year the planted acreage is
mewhere between 9,880,000 and 12,350,000 according to Broomhall's
ent. He claims that even assuming the top limit and that the aver-
ge yield per acre for the past ten years of 12 bu would be raised,
e crop would only amount to 148 million bu. This would be without
y consideration for abandonment, and would compare with last year's
op of 238,400,000 bu when they actually secured 14 bu per acre. In
ew of the fact that home requirements are in the neighborhood of
million bu, it would certainly leave little to spare; and there-
re, as the season progresses, we believe that the situation will
rengthen.

There have been very few rains overnight and according to
esterday's report of the Modern Miller, soaking rains are needed over
large part of our southwestern territory. Lack of subsoil moisture
becoming more pronounced, although, of course, it is rather early
become too fearful on that score because timely rains could easily
prove seeding conditions of fall wheat planting.

The disappointing cables from abroad caused some hesitancy
our market and opening quotations were slightly lower. After that
me there was hardly enough speculation to give the market a trend
e way or another; and the close showed a loss of 7/8¢ per bushel.
e open interest increased again to the extent of 2,696,000 bu, and
tal wheat contracts now open are in excess of 105 million bu. We
lieve the trade generally feels that any weakness in the market
ll be mostly of a temporary nature; and this may occur during the
me when Canada moves her wheat. However, later on receipts will
rdly be large enough for home consumption, and, of course, the with-
awal of hedges is bound to make itself felt.

Today Kansas City had 199 cars compared to 282 last ~~year~~ week,
aha 71 versus 104, and Chicago received 104 cars as against 139 a
~~year~~ ago. In spite of this, primary receipts were still fairly heavy
day and amounted to 1,395,000 bushels while in 1934 they were 889,000
shels. In another week's time we would not be surprised to see the
mparison on a more even keel. Stocks at Minneapolis, Kansas City
d Duluth show an increase so far this week of 1,651,000 bu. There
ll be an increase in the visible supply on Monday, but this should
t place much of an additional burden upon our market. The fact that
essure will not increase naturally restricts short selling, and
th acrop of wheat smaller than our requirements, and much of it too
ght for milling quality, we feel that the next major movement will
upwards. There was 275,000 bu of wheat sold to this market from
ledo. It is our opinion that the carrying charge from September to
cember will gradually widen.

Corn was influenced by the weakness in wheat and also general-
favorable weather over the belt. If the Government's estimate is
nally realized it is questionable whether there are enough animals
take care of all the feeds which have been raised this year. There-
re sentiment leans to the bear side.

Oats and rye were also somewhat lower. There was 600,000 bu
rye sold to go to store, and we believe that carrying charges in
is cereal will widen materially. This handicaps bullish operations.
e carrying charge in oats also has the same effect upon that cereal
spite the comparatively low price.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY

TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO August 26, 1935.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

The small fluctuations prevailing at the present time indicate that the trade is very much at sea as to the immediate trend. There must be greater confidence in the future level of prices, as the open interest is gradually increasing and was 106,500,000 bu last Saturday, the highest this season.

European markets show moderate strength, but there are no indications as yet that wheat prices have benefited much on account of any possible war scare. The advances which have taken place can easily be accounted for through conditions pertaining to wheat statistics themselves. The amount on passage is still very small: 17,536,000 bu against 40,336,000 bu in 1934, and were there any fear of a likelihood or a near probability of a naval war, certainly wheat stocks would not be permitted to shrink to such a low level. This represents less than two weeks' requirements for the importing nations. World shipments were again very small, although larger than of late--being 10,243,000 bu compared with 11,188,000 bu last year, and they are less than the weekly theoretical requirements. The homegrown crops of most of the European countries are coming to market now and Russia for the first time in many years is reported as a steady seller, competing with Canadian offerings. Were it not for the fact that supplies in the Southern Hemisphere have been materially reduced, this would be a decidedly bearish factor. As it is if shipments are not too large they might be easily absorbed, particularly so as the United States is entirely out of the reckoning as an exporter. In fact, we will undoubtedly be competing with the importing nations and might easily take 25 to 50 million bu from Canada, which if it materializes would make quite a difference and would be a relief to that country, which is still overburdened with supplies.

Liverpool finally closed about 1/4 to 1/2¢ higher than on aturday, which was rather stimulating here, as we had a sharp break in that day.

There is not much change in the domestic situation and until he next Government report comes out prices will be influenced more from day to day by the size of the actual receipts and the milling demand. For the present accumulations will still take place, but e do not believe this will last very long, and later on the milling emand will easily take care of the market.

Primary receipts up to last Saturday from July 1 were exactly he same as the previous year:68,000,000 bu. Kansas City and Omaha ad received about 28 million bu, and considering the small crops in both states, this must be a very fair percentage of what they ill ship during the year. Also it must be considered that this ear there are more duplications taking place than usual. The whole f the Southwest is buying and receiving Pacific coast wheat, some f it coming from Idaho. This is an extraordinary movement and sually does not appear in the primary receipts.

Today carlot receipts were smaller again than last week, t. Louis receiving 132 cars versus 163; Kansas City 301 versus 454; nd Omaha 116 versus 160. This is the second week now when by way f comparison receipts have declined. We expect this to continue hen finally increases in the visible supply will stop. Very frequently this does not occur until after the close of navigation early n December, but with the short crops this year the turn should come uch earlier. Today there was another increase in the visible supply amounting to 5,391,000 bu compared with 6,127,000 last week nd 471,000 bu last year, but the total is still 60 million bu less han last year and it is not likely that we can ever catch up.

(OVER)

Toward the last hour of our session the Winnipeg market became very weak, probably due to hedging sales, which are reported to be the largest so far on this crop. This is bound to be reflected tomorrow in weaker cables, and was already discounted here, our market declining in sympathy.

At the close our wheat market was 1/2¢ per bushel lower than the final figures of Saturday.

There was not much interest shown in corn. There were fairly satisfactory rains at places in the Southwest, but with the light receipts there can be no immediate pressure. Primary receipts were only 346,000 bu compared with 1,453,000 a year ago, but the demand is so much curtailed that the visible supply still shows an increase for the week of 175,000 bushels. The total, however, is only 6,246,000 bushels versus 55,901,000 the previous year, or a trifle over one-tenth. Corn is bound to remain scarce until the new crop moves, and then we might gradually have an over-abundance provided present crop prospects materialize.

The oats market was very weak; primary receipts being 2,194,00 bushels against 262,000 in 1934. The visible supply increased 6,605,000 bu to the amount of 19,254,000 bu, and is gradually catching up with last year, and will soon over-reach it considerably. We see very little hope for advancing prices in that cereal.

Rye fluctuated more or less with the other cereals, but there is a slow widening between September and December rye. We expect ver fair deliveries which will make a still bigger carrying charge.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
ICAGO BOARD OF TRADE
YORK PRODUCE EXCHANGE
V YORK COCOA EXCHANGE
ORK COFFEE AND SUGAR EX.
MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO August 27, 1935.

Cables were rather weak before our session opened, but a good
ecovery took place, Liverpool finally closing 1/4 to 1/2¢ higher
or the nearby futures and 1/8 lower for next March. October wheat
s now bringing a big premium over March, which is an unnatural con-
ition, as there should be a carrying charge when everything is nor-
al. It is the reflection of the light stocks at the present time,
hile the trade feels that everything might be different after the
urn of the year when stocks will be replenished with Canadian and
ussian shipments. There is no great hope that the usual movement
rom the Southern Hemisphere will be as great as ordinarily --the
eports from the Argentine giving no indication that this might be
he case. It is taken for granted that their crop outlook is very
oor, and that the yields are bound to be small compared with last
eason. The reduced acreage alone will make this a certainty.

Much will depend upon Canada and the wheat world awaits with
nterest their price position. The Canadian Wheat Board Act Bill
istinctly states that accumulated wheat will be sold or disposed
f at a price which may be reasonable and offerings will be con-
inuous in world markets. So far on account of the late crop farmers'
eliveries in Canada have been very small. For the week ending
riday, August 23rd, they amounted to 2,834,000 bu compared with
,300,000 similar period the year before. The smaller movement
id not cause any concern because the visible supply on August 16th
as still 189,420,000 bu vs. 181,225,000 the year before. With a
arger Canadian crop this season than last, it is only reasonable
o suppose that from now on farmers' offerings will be very much
arger, and it is well to watch how the hedges will be taken and
hat position the Wheat Board will take to prevent a decline in
rices.

It is always possible that Europe will take advantage of the
ituation and replenish its stocks, but some of the larger countries
n Europe are so impoverished that they are only buying reluctantly
hatever foreign wheat they need. With England as the chief buyer
n Europe, even Broomhall has given up much hope that their importa-
ions will be larger than last season, although he still expects
hat non-European countries might take more.

So far since July 1st world exports were only a bout 58 mil-
ion bu compared with about 81 million bu in 1934. Therefore, we
tart with a deficiency of 23 million bu, and it will take some ef-
ort to make this up.

The domestic statistical situation still remains extremely
trong. Stocks at all big centers are light in comparison with
imilar period in 1934, as follows:

	Last year	This year
Buffalo	6,907,000 bu.	3,150,000 bu.
Chicago	8,439,000	7,147,000
Duluth	10,237,000	2,443,000
Kansas City	32,330,000	15,239,000
Minneapolis	15,625,000	4,852,000
Omaha	9,549,000	4,279,000
St. Louis	8,099,000	3,277,000

When it is considered that even last year accumulations had
ot been burdensome and they were finally reduced to very small
roportions, there is no reason to anticipate that the same will
ot happen this year even to a more accentuated degree unless Canadian

(O V E R)

importations would be extraordinarily large. However, if 42¢ per bushel tariff will have to be overcome, and the processing tax will also have to be paid, it is not likely that millers will be any more aggressive buyers than they have to be in order to fill absolute necessities.

Receipts at Chicago, St. Louis and Omaha were again smaller than the same day last week, but larger at Kansas City, although there they amounted to only 139 cars, which can easily be absorbed.

Total primary receipts, however, still make a good showing--1,600,000 bu compared with 824,000 bu last year, and stocks at Minneapolis, Kansas City and Duluth start showing an increase of 422,000 bu. The big premiums for the cash wheat over the futures continue to prevail in all markets. This together with the great strength at Minneapolis keeps short sellers nervous. At the close of the session the market was 1/2¢ per bushel lower than yesterday.

With the adjournment of Congress politics will now play a minor part in influencing opinions in our market. However, we do not believe that this respite will last very long. Next January a bonus will probably be voted on and be passed, which will take about two billion dollars; there is a possibility that other expenditures will be voted on, which might cause fears of inflation again during the Fall. All fundamentals for such a situation are in sight. We have stopped redeeming our paper money in gold; we are importing large amounts of silver, and to that extent, decreasing the value of our mixed currency against notes. So far, in seven months, 107 million dollars worth of silver has been imported, and the flow towards this country appears to continue. Our budget remains unbalanced, and the excess expenditures are being financed by bond issues which are commencing to sag. However, this is in the more-distant future, but may finally affect May wheat prices when the proper time comes.

Corn was rather weak for the nearby future. The arrival of one car of new corn from Texas was reported at Kansas City. However, we still do not think that much new corn will arrive here in time for delivery, and the short will have to depend upon the old corn to fill his contracts. Otherwise fluctuations in new corn were small and unimportant.

Same was the case in oats.

Rye closed a little lower in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 28, 1935

With only three days remaining for evening-up September contracts ore the longs in that month have to be prepared to take delivery, at interest is being displayed in whether tenders are likely to be vy or small. It is our impression that deliveries, at least early September, are likely to be comparatively small, considering the ge-sized open interest which still exists. It is axiomatic that maximum of deliveries would be the amount of grain which is in lic elevators and which according to the rules is available for s purpose.

As far as wheat is concerned, the amount of contract grades in lic elevators last Monday was 1,398,000 bu, part of which is still wheat and very choice. Therefore, most likely it will be held for l premiums later on. We think the first deliveries will be very erate, although probably they will increase during this month, as private elevators have available over 5 1/2 million bu which can urned into contract wheat by being improved, but this takes time. ther arrivals from Toledo are also expected soon.

The amount of corn available is 1,048,000 bu. Some sales are ng made daily at good premiums, and we should be surprised if there ld be any deliveries at all early.

As far as oats are concerned, the total quantity in public elevas for contract purpose is 1,200,000 bu. However, part of that ntity is No. 2 white oats for which large premiums are being paid, we doubt whether more than 1 million bu will be on deliveries.

Concerning rye, there would be available 3,385,000 bu, but out of amount 1,406,000 bu are grading No. 1 and bringing big premiums. efore only a maximum of 2 million bu can be counted for deliveries, this quantity also will probably be reduced somewhat. In any case, ppears as if deliveries would be very moderate, considering the ge amount of contracts still open for September at the close yesday as follows:

Wheat	-	28,830,000 bu
Corn	-	9,860,000
Oats	-	14,055,000
Rye	-	8,272,000

Cables, after being a trifle stronger early, closed virtually anged, and Europe is still hoping for larger Canadian and Russian ments to replenish her stocks. The Department of Agriculture estes that world wheat supplies, exclusive of Russia and China, for season 1935-36 are likely to be 250 million bu less than the pres season. Of course, as Russia has a very much bigger crop than year, these figures, including theirs, have to be modified. the fact remains that domestically a shortage exists. This as is not being felt and it would be strange if it were, as hardly months of the crop year have elapsed. In periods of aggressive ulation such events are usually discounted, but with speculative e at a minimum just now it will take time before consumption takes supplies and creates an inherently strong situation, after h time probably advances can easily be established.

High premiums are holding everywhere and Minneapolis, the great ing center, was again the strongest market today. In the Southwest iums are also well maintained.

(OVER)

This probably is the cause of farmers showing a disposition to sell their crops very freely, and carlot receipts in the Southwest are keeping up very well, although a slight reduction from last week, which is as follows:

	This week	Last week
St. Louis	56 cars	66 cars
Kansas City	198 "	203 "
Omaha	56 "	65 "

We also believe they include a great deal of Pacific coast wheat, which movement is out of the ordinary. Total primary receipts were 1,058,000 bu compared with 809,000 bu last year and we think we may anticipate that before very long they will be reduced to such small proportions as prevailed last season.

Trade was rather inactive but buying power is at very low ebb and the close finally showed a decline compared with yesterday of 3/4¢ per bushel.

There was more moisture reported in Texas and Kansas which puts the soil in better condition, and while it is too early to think about the next crop, yet precipitation at this time is very important and will not be ignored if it continues.

Colder weather which has set in was just a reminder that there might be some frost scares soon, and the corn crop, while very promising, is not yet made. However, so far temperatures did not decline to a point where any real danger exists and somewhat warmer weathere is predicted. There was reasonable strength in the deferred futures but the old crop, which is selling at such a big premium , had a number of sinking spells. In view of the light receipts and the small amount which is available for contracts it is still possible that later on the shorts will be more frightened than the longs. Primary receipts were only 251,000 bu against 700,000 bu last year.

Oats receipts still make a good showing, unloadings at terminal markets being 1,205,000 bu against 105,000 bu last year. Fluctuations however, were very light, prices having already discounted a great deal of the actual situation, which is bearish from the point of view that the quantity raised this year exceeds the probable requirements considerably.

Rye fluctuated more or less with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CAGO BOARD OF TRADE
ORK PRODUCE EXCHANGE
YORK COCOA EXCHANGE
RK COFFEE AND SUGAR EX.
MODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.
CHICAGO

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WINNIPEG GRAIN EXCHANGE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

August 29, 1935.

Grain imports into the United States were again very large July:

Wheat	-	1,508,306 bushels
Corn	-	5,648,879 "
Oats	-	29,246 "
Rye	-	356,960 "
Barley	-	364,404 "
Flour	-	274 barrels

presume, however, that as usual part of the wheat imported has en ground into flour and exported, as so far duty has been paid importations for domestic consumption from July 1 to August 17 only 854,000 bu. We do not believe that the small business done far in imported wheat will be any criterion as to what might happen during the next twelve months, as the whole world situation has anged compared with the records of the past history of this country. far as wheat is concerned, during the past year ended July 1, tal exportations of wheat and flour amounted to about 22 million ; and importations were in excess of 25 million bu, showing for e first time in more than seventy-five years more wheat and flour ported than exported. It is our opinion that this unusual situaon will change at the end of this season when farmers will be pertted to increase their plantings, so that the wheat acreage will nearer normal than it has been for some time.

We also have in mind that during the last few days there re copious rains in the Southwest, extending into Texas, which imoved soil conditions considerably. Consequently there is not kely to be a repetition later on of dust storms, and all the other lamities which had befallen the Southwestern wheat crops for a mber of years. There was not only an unusual dearth of preoitation at this period, but also there had been a deficiency of -soil moisture for several years which has also been corrected.

Cables were very weak today. Liverpool futures at the close owed a decline of 1/2 to 1 1/8¢ per bushel, the weakest futures in being the deferred ones, showing that consumers are more conrned about their immediate requirements than those of the future.

Foreign opinions probably had been largely influenced by much heavier Black sea shipments amounting to 1,328,000 bu comred with only 256,000 bu in 1934. In these figures were included earances from Russia amounting to 1,144,000 bu. If Russia continues sell freely their operations will offset to a large extent the ller supplies which are expected from the Southern Hemisphere. entina is still doing reasonably well, exporting this week 78,000 bu versus 2,875,000 bu similar week in 1934. There was e precipitation in Argentina but not sufficient to change our nion about the extremely poor crop outlook in that country. Inuch as in a normal year Argentina easily exports 150 million bu, ch quantity is oftentimes exceeded, we already hear of some low imates of export surpluses of 65 million bu or less for the com year. These figures, however, are no doubt subject to many nges before the crop will finally be harvested.

There is no material change in the domestic situation. This been a month of declining prices, despite the fact that the open erest in wheat had increased about 20 million bu since the first the month. However, as this is the most important month for mers' movement in the Southwest and their stocks had increased y heavily, these new speculative purchases were only about sufient to offset the hedging sales. It will, therefore, be necessary those who have accumulated futures in anticipation of higher ces to have patience until later on when consumption undoubtedly l overtake new supplies coming from the farmer.

(O V E R)

The primary movement shows the same tendency as of late, much larger receipts than last year, but considerable falling-off compared with last week. Inasmuch as the crop this year was very much larger in yields than that of 1934, these statistics are only natural and in line with what was expected. Primary receipts today were 1,253,000 bu against 1,519,000 last week and 660,000 last year. Carlot receipts in the Southwest markets in comparison with last week also show a tendency of falling off:

	This week	Last week
St. Louis	55 cars	84 cars
Omaha	98 "	91 "
Kansas City	210 "	250 "

Stocks at Kansas City, Duluth and Minneapolis show a moderate increase so far this week of 1,005,000 bu.

Neither on the upturns nor on the declines in futures is there any weakening of the strong premiums for all varieties of milling wheat, and as long as this great discrepancy prevails between the cash wheat which is urgently wanted and the futures which are subject to the caprices of the speculator, we feel it is better judgment to assume that sooner or later the two will come closer together and that our futures appear cheap compared with the actual prices which are being paid for the cash wheat.

The great weakness at Winnipeg before the close of our session had a depressing effect here. It is expected that the Canadian Wheat Board will decide tomorrow on the minimum prices which will be guaranteed to the farmer; and it is now surmised that they might be considerably less than current quotations.

At the close the wheat market showed a decline of 1/8¢ per bushel compared with yesterday.

Corn receipts continue to be very light --primaries being only 282,000 bu against 1,157,000 a year ago. Premiums are well maintained; #2 yellow corn is selling at 4 to 4 1/2¢ over the September future. Consequently, it is most unlikely that the corn which is now in store will be delivered on September contracts. It also does not seem probable that any large quantity of corn will be shipped from any other place in the United States to replenish stocks here. Therefore shorts will be compelled to cover their commitments in the pit. The open interest was still 9 million bushels last night. There was a considerably firmer feeling, and moderate buying brought quite sharp advances from the low point. The more distant futures also sympathized with the strength early, but the Southwest had good rains, and we believe the new crop will be the dominating factor in determining values later on for both December and May.

Oats and rye fluctuations were comparatively small, and most operations consisted of changing from one future to another.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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WINNIPEG GRAIN EXCHANGE
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CHICAGO MERCHANTILE EX.

August 30, 1935.

Usually when comparisons are made of the volume of business
nsacted this year compared with last, little attention seems to be
d lately to two industries which are very flourishing in America
the present time: namely, gold and silver.

The production of new gold in July was almost sensational and
reached the highest monthly figure in recent years. The output was
y much larger than last month and July 1934. This is particularly
ortant as this tendency of increasing production is spreading over
the world, and possibly the total yield of gold for the year of
5, at the enhanced price, might reach one billion dollars. This
almost equivalent to 5 per cent of the monetary gold held by Re-
ve Banks.

The silver situation is still more interesting than that of
d. Not only are we large importers of this metal, but the pro-
tion rate in the United States is also the largest in many years.
ing the month of July the output was almost 80 per cent more than
the parallel period in 1934.

We believe that all price records in past history will show
t a large increase in the production of any commodity, when there
no corresponding increase in the demand, will have a tendency to
er value of same. However, as the prices for gold and silver are
ed and cannot go down, the result will be that other commodities
h are not so plentiful will rise in comparison with gold. In
r words, this is most likely to have an inflationary effect.
it is considered that in the short period since March, 1933, how
uential monetary changes were effective in stopping the deflation,
h would have gone much further, resulting in a moderate inflation,
can tell what might happen during the next eight months to in-
nce the price of May wheat?

Liverpool cables varied so little from the previous day that
had no effect on our market. In fact all the news was more or
colorless and not sufficient to crystalize any new opinion. The
tendencies which have prevailed for some time continue --chief of
h is the high premiums which are being paid in every market, in-
ting a great scarcity of choice milling wheat. The trend toward
ler receipts continues in the Southwest: St. Louis had only 65
compared with 103 last week; Kansas City 167 against 218; Omaha
gainst 65. Primary receipts, however, are still doing pretty well,
y being 1,397,000 bushels whereas a year ago they were 946,000 bu,
they are also larger than last week. This is due to heavy re-
its in the spring wheat territory, but very frequently the maximum
eached around Labor Day; and while they may remain fairly heavy
a while the zenith is pretty near over. As a matter of fact if
an believe the very sensational reports about yields in the four
ng wheat states, it is quite evident that heavy primary spring
ipts such as we are having now cannot last but for a short period.

September liquidation keeps up on a rather heavy scale. Con-
ts were reduced yesterday by 2,233,000 bu; the open interest in
ember wheat now being about 25 million bu. It is quite apparent
it will take several days more until the pressure of these liqui-
ng sales will be over, and in the meantime it seems to be dif-
lt to bring about a recovery. Confidence, however, in finally
er values is still prevalent, and the total open interest has now
eased to 108,634,000 bu.

At the close the market showed a small decline of 3/8¢ per bu.

The corn movement still remains very light. There can be
le doubt left in anyone's mind that there is so little corn left
armers' hands that any increased movement is almost unthinkable
the new crop comes on the market. Primary receipts were only
000 bu versus 1,061,000 the previous year. Chicago had 20 cars;
demand remains strong for same, premiums being fully maintained--
to 5¢ over the future for #2 yellow corn. At one time September
was quite strong, but trade in same at the present time is so
; that small sales at times affect the market unduly the same as
rate buying might enhance it very quickly.

We still feel that with an open interest in September corn of
0,000 bu it is rather dangerous to be short, and that possibilities
considerable advance are existing.

Oats remain neglected. There will be another very big increase
he visible supply on Tuesday. A slight tendency exists for carry-
harges to widen, and we see very little hope for an early re-
ry. There was comparative strength in the nearby future of rye,
ers evidently being anxious to transfer their commitments to a
period.

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CHICAGO MERCANTILE EX.

CHICAGO August 31, 1935.

The wheat price structure is inherently so sound that it took t little encouragement today to change the lethargy which had exist- for some time. The trade of late was very fearful of the immediate fect of September liquidation regardless of the other strong features. ere was good justification for this, as yesterday alone the open terest in same decreased 4 million bushels, which quantity had to absorbed: however, it was still at the high figure of almost 21 llion bushels at today's opening. So it is quite evident that a eat many longs feel so confident of their position that they are ing into the current month, and will have to be prepared to take livery, change over later to some future month, or liquidate.

A stimulant came today in the way of a report by one of our ading experts estimating that the total wheat crop in the United ates will only be about 559 million bushels. This is a smaller gure than had been expected, but it is still possible that the other ports, as well as the Government, will feel more optimistic about final outcome. Even so, it is generally recognized that such mendous damage had been done to the spring wheat crop that at best results may be very unsatisfactory.

Using these figures as a basis for the present we find that the ited States' supplies at this time would be 559 million bu raised s year; the carryover is variously estimated at 155 to 160 million and taking the larger figure our total supplies would be 719 mil- n bushels. This would compare with last year's carryover of 282 llion bushels as revised, and a crop of 496 million bu, or a total 778,000,000 bu; which would give us 59 million bushels less than in 34. Considering that last season the price level at times ruled ry much higher than the present one, even in the Spring of 1935, and t our stocks in all positions were very low, it is easy to realize t we would have a very precarious situation were it not for the pro- bility of large importations. The latter, however, will compel us keep our price level high enough right along in order that these portations will take place.

In the meantime there is no let-up in the urgent milling demand the high premiums. The largest milling centers --Minneapolis and sas City showed the greatest strength during practically all the ssion. Primary receipts were 1,207,000 bu --somewhat smaller than st week when they were 1,397,000 bu, but larger than a year ago when heavy movement was about over and when they amounted to only 943,000 shels. Stocks at Kansas City, Duluth and Minneapolis show only a ry moderate increase of 1,260,000 bushels, and we are looking for- d to only fair additions to the visible supply on Monday.

Liverpool wheat cables were 1/2 to 1¢ lower, but they were ig- red as it is assumed that Europe will also take cognizance of the duced crop estimates in the United States. We also have in mind t the quality this year is so very inferior that it will take more shels per barrel of flour than in 1934, and that our consumption ld easily be 650 million bushels or more.

The weekly receipts show some decline compared with last week, ng 8,443,000 bu versus 9,196,000 the previous week, but only 53,000 bu during the parallel period a year ago. However, even this rate it will still take a long time to come anywhere near such umulations, both in the visible and among millers' stocks, as we last year.

At the close the wheat market showed an advance of about 1¢ per hel as compared with yesterday.

Corn was reasonably strong. Primary receipts continue to be very ht --304,000 bu against 1,126,000 last year, and almost daily more es than purchases are being reported. We look for a further de- ase in the visible supply. #2 yellow corn on track is selling at /4¢ over September; therefore it is not likely that there will be deliveries next Tuesday. So far the shorts in September corn show great anxiety in spite of the fact that the open interest decreased y very little yesterday, and is still 8,337,000 bu, with expecta- ns of further decreases in Chicago.stocks.

Oats showed very little change. It is difficult to lift prices this cereal, as supplies exceed the demand to such a large extent.

Rye prices improved with the strength in wheat.

UHLMANN GRAIN CO.

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CHICAGO September 3, 1935

The Liverpool and Argentine markets which were open yesterday e all grain exchanges in the UnitednStates were closed, showed con-rable strength, and this morning there were further advances, fin- futures at Liverpool showing an advance of 1 1/4 to 1 5/8¢ over rday.

Drought in the Argentine continues; world shipments were again small,amounting to 7,395,000 bu versus 9,414,000 bu last year; and tically every country cleared less than the previous season with the ption of the Balkan States and Russia.

So far since July 1, importations to Europe and non-Europe are t 24 million bu less than in 1934, and either shows an extremely l consumption or otherwise great depletion of stocks. We think the er is the case. The amount on passage is now only 18 1/2 million gainst 38 million bu last year; and stocks at Liverpool have been ced to 1,440,000 bu compared with 5,032,000 bu the year before.

Everybody seems to be waiting for the decision of the Canadian Board, which has declared itself for a policy of establishing nimum price to the farmer. Naturally everybody is waiting to hear this will be. Everyone had been expecting a decision today. Were ot for the small movement so far on this crop, the matter could not been delayed so long, but during the seven days ending Friday, st 30, farmers' deliveries were only 7,092,000 bu compared with 78,000 bu last year. It is quite evident that there must be many ussions and great differences of opinion among the various parties what the price should be. Otherwise, we would know about it at time. Meanwhile it creates uncertainties.

We ourselves believe that the world wheat situation has strengthen- ufficiently so that the wheat grower this year needs very little ar- cial help, and the more he is left alone the better it will be for concerned.

The week ending August 31, the United States imported for con- tion 524,000 bu of wheat, which is at the rate of 25 million bu a . If we have to import wheat this early in such quantities, it is e clear that Canada has found a new customer this season which she r had before to any extent, and with the poor crop prospects in ntine, an enormous export business ought to be possible for her af- the turn of the year.

Strange to say that on the very day the new wheat board in Canada ced its operations, the French government opened a free wheat mar- for the farmers of France, and Premier Laval announced that he eved this would raise agricultural prices. This followed a collapse the French government tried for three or four years, through sub- es, minimum prices and all other devices, to sustain the market. not expect that this new lessonnwill have any effect on others still wish to experiment. However, economic forces will continue ssert themselves and certain fundamental laws cannot be violated. s also w ell to consider the psychology of the farmer who loves to e large quantities even at the sacrifice of price, the same as the hant is anxious to make money, even though at the end of the year government takes a large share away from him in the way of taxes.

The primary movement of wheat was large, even if it is considered e were virtually three days' arrivals from the railroads, there ng been an extra holiday yesterday, making the total 3,038,000 bu. mparisons can be made with last week, when no holiday had inter- d. The visible supply showed an increase of 4,468,000 bu, which is what smaller than last week, but last year when the apex of the ment had been reached there was an actual decrease of 257,000 bu. total is still 55 million bu less than in 1934 parallel week. De- ries on September contract were very moderate. Cash premiums keep ng, but speculation is so light that a small early advance could not and the close showed a decline of 1/8¢ per bushel.

The corn market, particularly for the deferred futures, was rather , owing to continued favorable weather. September corn, the old future, remained reasonably firm. Stocks in Chicago decreased 00 bu, bringing the total down to 1,283,000 bu. No. 2 yellow corn ill 4 to 4 1/4¢ premium and there were no deliveries made and none ikely to be made until the situation changes- in other words, un- ash and futures come closer together.

Oats and rye were subjected to further September liquidation, and act that these two cereals had heavy tenders on contract had a hat depressing effect upon prices.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO Sept. 4, 1935.

The Liverpool market again showed great strength today, futures inally closing 5/8 to 3/4¢ higher than yesterday. The strength broad has not been sensational on any one day, but the advances have een steady right along and the under-lying conditions remain sound.

Stocks at the great milling centers of Europe have been very argely reduced and sooner or later they will have to be replenished.

The Argentine crop news is still very bad and no pressure is exected from anywhere except possibly from Canada. It is the uncerainty of what the managers of the Wheat Board in that country will o which is like the sword of Damocles hanging over the market. Were t not for the fear that at one time or another heavy clearances rom there would put a damper on world prices, including those of the nited States, we think the whole level of wheat values would be much igher at the present time.

As it is, in spite of an extremely strong domestic situation, peculation is still holding back and advances come only in a very esultory way. We do not believe that any living member on the arious exchanges has ever seen cash premiums for milling wheat as igh at this period of the season as they are this year. This is articularly the case both at Minneapolis and at Kansas City, the two argest milling centers.

It is almost impossible for any miller at Kansas City to obtain ny kind of two hard country run wheat at less than 10 to 12¢ premium ver their future, and for any better quality additional premiums ave to be paid. If such a situation were to occur six or eight onths after the bulk of the crop had been moved, it would not be so urprising, but right when we are in the midst of the season, and reeipts are quite large, it shows great anxiety exists on part of the llers to secure supplies and great apprehension that later on they ght not be so easily obtainable.

The private crop estimates which were given to the trade today onfirm the acute situation. Taking last month's government figures the winter wheat and the average estimate on spring wheat, there ould be a total available on this year's crop of 587 million bu, ich, in our opinion, would be about 50 million bu less than the eded consumption. Therefore, we either have to import this quantity else reduce our carry-over, which was very moderate on July 1st is year. In any case a reasonably high level of prices is justified.

Primary receipts today were 1,262,000 bu compared with 788,000 last year, and stocks at Kansas City, Duluth and Minneapolis show increase of 429,000 bu. We look for fairly liberal primary reeipts for the balance of this month, after which time we think they ll shrink to very small proportions.

At the close our market showed an advance of 1 1/4¢ per bushel, ich was considerably less than the rise at both Kansas City and nneapolis. At the latter market September future closed about 27¢ r bushel higher than ours; and cash wheat is bringing big premiums er that. The Eastern miller, who needs the spring wheat, will have pay in addition freight and other charges, as well as the 30¢ prossing tax. This makes wheat and flour quite expensive propositions w for many.

Corn was extremely strong for the September future, which practically represents the cash article. #2 yellow corn is still selling 4 1/2¢ over; and consequently is not tempting to make deliveries, d so far this month there have been none. As a matter of fact, e trade is gradually awakening to the fact that the amount available r delivery is extremely small. The open interest last night was ill 7,728,000 bu. Total stocks in public elevators have been reced to 867,000 bushels. Furthermore 75,000 bu have been cancelled r shipment, reducing the available supply for delivery to less than 0,000 bushels. Receipts in Chicago were only 14 cars, and with all e temptations to bring it here it appears as though the farmer has surplus left to dispose of. Primary receipts continue to be light, ing only 193,000 bu today versus 1,153,000 a year ago.

We still believe that September corn will gradually move higher; far as December and May are concerned, this situation may be enrely different if present crop prospects materialize, and according estimates of private experts there probably will be plenty later with the reduced consumption on account of the decrease in animals, ich will make itself felt.

Oats were somewhat higher, prices having declined to such a low vel that they are at least on debatable ground in spite of the large op. Trade in rye was smaller with fluctuations unimportant, but e close was about 1/2¢ per bu higher than yesterday.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO Sept. 5, 1935.

Our wheat market again received great encouragement from abroad. iverpool closed 1 to 1 3/8¢ higher. Argentina was also very firm nd offerings from that country, as well as Australia, are drying up, ue to unfavorable crop prospects and much smaller receipts.

Broomhall estimated at the beginning of the season that importers' equirements for the year would be approximately 540 million bu, or 0,385,000 bu weekly. Considering that so far since August 1 the eekly shipments were materially less, the requirements for the balance f the year would have to be about 10,500,000 bu weekly to fulfill the stimate. It is quite evident that the bulk of the needed quantity can nly be furnished by Russia, the Balkan states and Canada, with ıstralia and Argentina contributing only smaller amounts.

This week Black sea clearances were 1,384,000 bu compared with 64,000 bu in 1934; and it is possible, even probable, that Russia ill exceed considerably the exportable quantity estimated by Broomall of only 25 million bu for the entire year.

We think Canada is gradually becoming aware that she is holding ıe whip-hand this season, and the Winnipeg market was extremely rong, advances amounting to more than ours. This despite the fact ıat farmers' deliveries are very much on the increase, and today they ere 2,674,000 bu. Under the circumstances it is possible that the remendous pressure which was anticipated as coming from that center ill not be a hindrance to further advances, provided all other contions are right.

Argentina is expected to ship this week only 1,911,000 bu versus 538,000 bu last year; and with her heavily decreased port stocks, ght shipments from now on will be in order.

It is also hardly likely that world stocks can be very much reced at the various centers without creating greater strength in the rket. From Broomhall's report the visible supply on September 1st s 113 million bu less than the previous year. The decrease in stocks s not confined to one place but was general all through as follows:

	September 1st (this year)	September 1st (last year)
North America	255,530,000 bu	312,848,000 bu
United Kingdom & Afloat	26,100,000	50,900,000
Continent	1,800,000	3,800,000
Argentina	11,022,000	19,840,000
Australia	23,248,000	43,000,006
TOTAL - - - - - - - -	317,700,000 bu	430,388,000 bu.

There is no change in the sound fundamental domestic situation. emiums are well maintained, and with the exception of the spring eat centers, the movement everywhere is very moderate or light. imary receipts were 1,199,000 bu compared with 1,253,000 last week, d 640,000 bu last year. This at the period of the season when the ring wheat movement is about the heaviest, is not burdensome, and ocks at Kansas City, Duluth and Minneapolis so far show an increase only 821,000 bu.

The open interest in September wheat had been reduced yesterday about 11 1/2 million bu and liquidation of September wheat from v on should no longer be much of a bearish factor. All the advances have had of late came in a natural way, strength being chiefly deved from the active cash situation without much help from speculators. is process naturally is slow, and therefore we anticipate that at time speculation should take hold of the market, quicker upturns ıld be in order.

At the close the wheat market showed an advance of 1 1/4¢ per bu.

The deferred futures of corn were somewhat influenced by the great rength of the sister cereal, but in view of the very favorable crop spects and the fact that temperatures are likely to be milder, preting any frost scares for the present, no great advances were made. was different, however, as far as September corn is concerned. The rts are commencing to be very nervous. This we think is fully tified as the receipts are extremely small. Premiums are well mainned and the open interest is still almost 7 1/2 million bu. #2 yel corn brought about 5¢ premium, and 90,000 bu more warehouse receipts e cancelled from public elevators. After this grain is shipped the unt available in public elevators to fill contracts will probably be uced to about 650,000 bushels. The primary receipts of corn at markets were only 217,000 bu compared with 630,000 a year ago.

Both oats and rye closed higher. Receipts are decreasing and re is no particular pressure at the moment.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

Sept. 6, 1935.

Almost daily there is some startling news affecting the world ieat situation. It was reported today that Italy purchased about 7 million bu of wheat from Russia to be delivered between now and ecember. This news could be construed either bullish or bearish, ccording to the emphasis one would lay on the construction of this ransaction. The bullish feature would be that Italy, which under ormal conditions would buy only very little wheat, is likely to ecome a very much larger importer than last year, undoubtedly due to ar preparations. The bearish side is that Russia has such a large uantity of wheat to sell, as none of the previous estimates as to er exportable surplus led us to believe that her excess supplies ould be as large as they undoubtedly are, judging from this one trade.

Therefore Liverpool took a neutral stand, and her futures varied ttle, some advanced 1/4¢ per bu and others declined by the same nount.

The first official estimate on the Australian crop indicates a ield of about 120 million bu, which is somewhat larger than was anticated. However, it would compare with actual yields in 1934 of 137 llion bu, and 174 million bu in 1933. The world shipments so far om Argentina, Australia and the Black sea ports will be about 5 million bu this week. According to Bradstreet, North American clearances ll be about 2,700,000 bu; so, unless other countries ship more than eir usual quantities, world shipments will again be very light. far the Canadian clearances since July 1st have been very disappointg, being about 12 million bu less than the previous season; but a ry active business has taken place during the last few days, sufciently so that the Winnipeg market has been able to keep up its rength, despite the much larger farmers' deliveries which have to absorbed at the present time.

An announcement will be made by the Canadian authorities toght over the radio giving the minimum price which will be fixed to e farmer. In view of the change in world conditions, it is excted that the price will be rather high and some guess it might be high as 85¢. However, Canadian grain dealers seem to take it for anted that the price will be satisfactory, as another big advance price for all futures in Canada took place today, this following appreciable rise yesterday.

There is no change in the great strength of the domestic situaon. Southwestern millers find that the supplies in those states m which they usually draw their requirements have such a large ntity of undesirable wheat that they are bidding strongly for the ific coast shipments. Even that wheat is bringing very high prems over futures prices. It is almost impossible to buy a car #2 hard wheat, which is the delivery grade in Kansas City, for s than 10¢ over the September future.

Primary receipts are keeping up fairly well. This is due to ger receipts at both Minneapolis and Duluth, the spring wheat movet being at its height now. We do not anticipate this will last y long. The total today was 1,480,000 bu against 637,000 a year . Stocks at Kansas City, Duluth and Minneapolis so far this week w an increase of 1,068,000 bu, which is quite moderate. At the se the market showed an advance of 1/4¢ per bushel.

The cash corn situation still remains very strong and #1 yellow n sold at 5¢ over the September. There were further cancellations about 120,000 bu of corn, reducing the quantity available for deery still more. If the corn continues to go out at this rate and eipts do not increase, we do not see how finally there will be much n available for delivery this month. Primary receipts were 158,000 versus 628,000 bu in 1934. As far as new crop deliveries were cerned, they were influenced more by good growing weather and erally mild temperatures. There is the belief generally that when supplies come on the market there will be enough for all purposes.

Oats were little changed from the previous day, while rye was ghtly lower. Temporary advances in wheat, as well as the strength outside markets, had little influence on the latter cereals where culation remains conparatively light.

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September 7, 1935

Today's action of the wheat market demonstrated very clearly what e claimed right along, namely: the decision of the Canadian Wheat Board uld be a most important factor in shaping world prices. The minimum ice to the farmer for No. 1 northern wheat at Fort William was fixed 87 1/2¢. This was a much higher price than was expected, and in consequence of which every market was influenced by it very favorably.

There were good rains in the Argentine overnight and ordinarily ices probably would have been lower; but instead, following the acon taken in Canada, Liverpool futures closed from 1 3/4 to 2¢ per shel higher than yesterday's closing.

As yet it is difficult to predict how the whole matter will work t. Although the Canadian farmer is guaranteed a certain price, there no absolute certainty that the Wheat Board will not sell its holdgs for less, absorbing the loss, and to that extent subsidize the rmer. All it really means is a guarantee that the farmer will obin basis 87 1/2¢ if he sells his raisings to the Wheat Board and are in any profit they may make. While ordinarily the fixing of nimum prices has a disastrous effect in the long run, if a holding licy is adopted, yet it may come out satisfactorily this season, owg to the extraordinary situation caused by the short crop in the ited States and the large reduction of stocks from previous crops Europe. In any case, it should create better speculative sentiment. other conditions throughout the world do not interfere, it may mean gher prices ultimately.

Our market opened very strong, being influenced by this news, d finally closed 2¢ higher than yesterday's final figure.

It is now estimated that Russia might export as much as 75 to 90 llion bu of wheat. These figures are much higher than those Broomll guessed earlier, but we are inclined to believe they might be rrect, in view of the fact that the yields were extraordinarily high is year on a largely increased acreage. However, even this quantity ll not be sufficient to offset the shortages in the Southern Hemisere. It seems advisable now to study the outlook in Canada, whose op and carry-over are estimated to be at least 500 million bu. Decting the domestic disappearance of 105 million bu (same as last ar) there would be left 395 million bu for export and carry-over. st year's exports amounted to only 165 million bu to Europe and nonropean countries. Adding to that amount 50 million bu, which quanty probably will be needed in the United States, Canadian stocks uld not be reduced to anywhere near normal proportions. Unless exrts are much larger, we believe that this will be the case. Also, do not think that Canada will force her wheat on the markets, even ough she might be compelled to carry a moderate quantity over to xt season, as long as she can make some inroads on the burdensome pplies which had to be carried for so many years.

There is no change in the strong domestic situation. No. 2 red eat sold in this market today at 2 1/4¢ over the nearby future and nsas City and Minneapolis premiums are something unheard of for this riod of the season.

Primary receipts of wheat are still heavy when comparisons are de with last week and last year, owing to the preponderance of spring eat receipts, and also the fact that there is a great deal of dupcation going on. Wheat is being purchased for all markets from the cific coast and this appears among the primary receipts this season, ile ordinarily it is diverted to other channels. The total primary ceipts were 1,501,000 bu versus 891,000 last year. Stocks at Kansas ty, Duluth and Minneapolis show an increase of 1,225,000 bu, and

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it is apparent that we shall have another increase in the visible supply on Monday, but it will be only moderate and not too burdensome. As long as the good milling demand continues, with premiums well maintained, we see no signs yet that the market has advanced too rapidly, or that a sharp decline would be in order.

The weather continues to be extremely favorable for the best development of the corn crop and unless we should have an early frost there probably will be a great abundance, considering the reduction i the amount of animals on feed. Scattered showers had been quite gene l during the past twenty-four hours over districts west of the Mississi i river; and rainfall was also heavy in northwestern Kansas, where pr moisture had been deficient. This, however, will not be any help to the short in September corn. The old crop has been pretty well exhaus d and primary receipts were only 203,000 bu compared with 771,000 last a In Chicago the total arrivals were only 17 cars. There were cancellations of 37,000 bu and the small stocks available are dwindling stead ly. The open interest in September corn was reduced only 326,000 bu yesterday and still amounted to 6,727,000 bu last night. No. 2 yello corn sold at 5¢ over September, and as long as this premium exists, o course, there is no temptation to make any deliveries, and none were made today.

Oats receipts are also on the decline and it seems with the low price existing, farmers are holding back now, thus preventing any new pressure, and the market advanced slightly.

Similar conditions exist in rye.

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Sept. 9, 1935.

Liverpool made a good response to our strength of Saturday, although their early high prices for futures were not fully maintained. At the close they showed an advance of 7/8 to 1 3/8¢ per bushel, which with all the previous advances during the last few days, puts their price level easily seven to ten cents per bushel above the lowest points reached sometime last month.

Argentina also followed, and with the great strength at Winnipeg the importing countries will not be able to obtain any cheap wheat from those parts of the world. However, it remains to be seen whether at the present time Russia and the Balkan countries will take advantage of the situation and offer their wheat more liberally. This we believe would have only a temporary effect as the bulk of the wheat which Europe needs for its requirements must come from Canada, as all the other exporters together could not possibly fill the needs. This is particularly so as European stocks in all positions are rather low. The amount of visible wheat and flour in the United Kingdom now is only 7,480,000, or a decrease of over one million bushels from a month ago. The amount on passage is still very small --only 19 million bu compared with almost 37 million a year ago.

World shipments remain very light, being this week 8,010,000 bu versus 10,252,000 parallel week last season. Exports of breadstuffs from the various countries from July 1st up to date are about 27 million bu less than in 1934 when clearances were also comparatively light. This eith r indicates a very small consumption or otherwise a great reduction in stocks, which sooner or later has to be made up.

The carried-over feeling from last Saturday was extremely bullish, but the early demand at somewhat higher prices was easily supplied and later on the market showed declines, although at no time could the market be called very weak. This situation is quite natural when all the other factors affecting the wheat market are taken into consideration. The one temporary feature existing at the present time, causing sinking spells from time to time, is the fact that opinions are so universally bullish that there is practically no short interest existing; consequently on days like today when railroads bring double the amount of receipts on account of the intervening Sunday, hedges are quite plentiful, and unless new buyers are attracted, concessions have to be made. This situation, we believe, will not last very long. In 1934, the similar week, we had seen the maximum amount of wheat in the visible supply, after which time there were large decreases with few interruptions, but the tendency was continually for lower stocks at terminal points. We believe increases this year will last somewhat longer, but possibly within two or three weeks we shall also have seen the peak of the movement as well as accumulations.

Today's visible supply shows an increase for the week of 2,347,000 bu compared with 515,000 last year. We consider this as very moderate, particularly as the total is now only 61,450,000 bu, and 54 million bu less than in 1934. Primary receipts were rather heavy --2,732,000 bu versus 1,299,000 a year ago, but importations from Canada take place almost daily, and a great deal of wheat is eing shipped from the Pacific coast, all of which adds to the reeipts. At the same time it shows a most extraordinary situation: namely, the necessity of consumers going out of their way to faristant points to obtain supplies. In one case it means the paying f a duty of 42¢ per bushel; and in the other, very high freight ates. So from whatever point of view it may be looked at it does

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not seem to indicate low prices at those sections much nearer home where choice wheat can be obtained. The consequence is a high leve of premiums for all choice wheat everwhere, except at the present time #2 red wheat does not fully participate. Inasmuch as the latter is deliverable on Chicago contracts, futures here are comparatively cheap, and both Minneapolis and Kansas City markets are much higher than ours. We believe, however, that gradually greater efforts will be made to substitute the soft wheat for the various other kinds, and that finally it will also benefit from the scarcity of bread wheat which is existing in the United States. Whenever th occurs there ought to be a nearer approach between our futures and cash wheat prices and a general lifting of values.

At the close the wheat market showed a decline of 1 1/8¢ per bushel compared with Saturday.

General showers had fallen over the week-end over the entire winter wheat belt, and moisture conditions for fall plowing are now more favorable than for several years at this time of the season. This will become more important as a market factor when we commence to trade in July wheat, but can have no effect on the old wheat if our assumption is correct that a great deal less than normal consumption has been raised.

The better weather, which is very beneficial for corn, had rather a weakening effect on that cereal, but receipts continue to be extremely light. Total primaries were only 258,000 bu against 1,271,000 last year. #2 yellow corn is still bringing 5 1/2 to 5 3/4¢ over the September future. The visible supply decreased 83,000 bu, and the total has now been reduced to 5,870,000 bu, and 52,684,000 bu less than in 1934. There were further cancellations out of public elevators of 112,000 bu. Chicago stocks decreased 178,000 bu, and are now down to 1,105,000 bu, with an open interest of 6,516,000 bu. Part of this quantity is in private elevators, and so far not available for delivery on contracts. There were no deliveries again today. We still anticipate a very tight situation before the end of the month.

Oats and rye closed lower partly in sympathy with the decline in wheat.

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CHICAGO Sept. 10,1935.

On days when a Government report on grains is given to the
ade in the afternoon, it is usually preceded by a very dull session.
day was no exception to the general rule. Both the volume of trans-
tions, as well as fluctuations were very insignificant. There was
t much new stimulating news, although all previous figures as to a
asonable scarcity of good milling wheat in the United States later
, are being confirmed. It was not to be expected that this scarcity
ould be felt this early, but nevertheless even now millers are com-
lled to draw their supplies from places which were practically out
the reckoning in former years. We, of course, refer to the im-
rtations of Canadian wheat and the heavy trade with the Pacific
ast. This is so important now that at times it affected the
nneapolis market quite considerably, it being claimed such arrivals
well as hedging sales are commencing to be an important influence.

Cables closed 5/8¢ lower for the nearby future to 3/8¢ higher
March wheat; therefore maintaining a very strong undertone in view
the decline which took place in this market yesterday. One of the
fluences may have been the report that the French Government has
opped issuing any further export licenses, which means wheat exports
om France will now cease. This further reduces the number of coun-
ies which will have to furnish the importers with their require-
nts. European millers are already reconciled to the fact that
gentina and Australia will have only very limited quantities to sell
r both the end of this year's crop and in the next one, which is
t very promising. Hopes are still based on what Russia might fur-
sh, and everybody has an eye on Canada; but with the minimum price
the farmer fixed and with the Government holding very large sup-
ies, it is not likely that any very cheap wheat can be had from that
arter until conditions change materially.

We do not anticipate that the Government figures on spring
eat this afternoon will be very startling, and we do not believe
ey will have much effect on tomorrow's market. Reports are so gen-
al that the crop deteriorated during the last month that it is not
kely that the figures will differ very greatly from those of the
ivate experts, and whether the loss finally will amount to either
or 25 million bu, or more or less, we do not think will be very
terial. The main fact to keep in sight is that with the larger a-
unt which will be fed this year owing to the poor quality, it will
ve us a consumption of probably 650 million bu, or much more than
s raised.

Furthermore, stocks of wheat at all terminal points are also
ry small, and we wish to point out only a few places where the dis-
epancy is the greatest such as

	1935	1934
Duluth	3,674,000 bu.	11,556,000 bu.
Kansas City	15,941,000 "	30,697,000 "
Minneapolis	5,736,000 "	16,526,000 "
Omaha	4,801,000 "	9,529,000 "
St. Louis	3,678,000 "	8,030,000 "

Primary receipts were 1,658,000 bu compared with 938,000 last
ar, but premiums are keeping strong in every market and there is
trouble in selling cash wheat at satisfactory prices as fast as it
offered. At the close the market showed an advance of 1/4¢ per bu.

The corn market was fairly strong. There was quite a good
al of evening up on parts of shorts who fear that possibly there
s been some deterioration in crop prospects during the past month,
d that the figures to be given out this afternoon will not be as
arish as was anticipated.

The weather in Iowa of late has been rather unfavorable for
pening, and it requires two or three weeks more of dry weather to
ture the crop there. Of course there is always the possibility of
ost damage under these circumstances.

There was also great strength in the September corn, as there
re again no deliveries. One-third of the month has now passed with-
t a bushel of corn being delivered, and stocks instead of increasing
e actually decreasing. There are only 544,000 bu left in public
evators; there were further cancellations of 90,000 bu today. We
sume that after all the corn for which receipts have already been
ncelled is shipped out actual stocks in public elevators may be re-
ced to 300 or 400,000 bu. The open interest is still very consider-
ble; it had been reduced only 84,000 bu yesterday, and last night
ounted to 6,432,000 bu. Oats and rye followed the strength in the
her cereals and closed higher.

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September 11, 1935

The Government Report which was given out yesterday afternoon, aftr our session had closed, estimated the combined crops of winter and ring wheat at approximately 595 million bu. This was considered slight l bearish, as the deterioration of spring wheat during the month of gust was not quite so much as the trade had expected it would be. ere was no change made in the winter wheat figures; but they will be resed in December. It is not impossible, and in fact quite likely, that en there will be a further reduction in the figures as the threshing turns were rather unsatisfactory. For the present, however, calculations of this year's yields will have to be figured as being 595 million bu.

This year now constitutes the third successive crop of yields below me consumption, and each of the wheat crops the last three years was aller than any since 1904. Shortages of the last two years were not ry impressive, as far as prices are concerned, on account of the heavy rry-overs from previous seasons. The statistical position of the last ree years, including this one, would show about as follows:

	CROP	CARRY-OVER	TOTAL SUPPLIES
1933	529,000,000 bu	393,000,000 bu	922,000,000 bu
1934	496,000,000	282,000,000	778,000,000
1935	595,000,000	155,000,000	750,000,000

I the meantime our population increased somewhat, although rather slowl, general calculations being about 750,000 a year, or over 2 million thin three years. This ought to give an added consumption of approxiately 10 million bu. More important, however, are the following two fcts: first, this year's crop is of extremely poor quality. Naturally it requires a great deal more wheat to make a barrel of flour when the st weight is from 50 to 58 lbs. or less compared with an average of obably 61 or 62 lbs. last year. Furthermore, on account of the quality being poor in various states, there also might be increased feeding nsumption for animals. Second, the world situation has altered greatly. Everyere stocks are quite moderate, or even small, with the exception of ose in Canada. However, stocks in Canada, while very formidable, e not any larger than they have been for the past several seasons. rthermore, the crop outlook in the Argentine is very poor, inasmuch a the acreage has been reduced greatly owing to the drought. This duction cannot be made up, and there are further fears that the ought will also reduce the yields per acre on the remaining standing reage. However, this could be partly offset should very favorable ather set in.

The importance of the crops in the Southern Hemisphere is clearly own by the advance in Liverpool prices today, their futures being 1/4 to 2 5/8¢ higher, influenced chiefly by the continued dry weather i the Argentine. We therefore consider the statistical situation as und; and the price level certainly appears attractive when comparisons e made with that at which wheat sold last year when supplies in genera were so much more plentiful. The Buenos Aires market also showed eat strength, futures rising 1 3/4 to 1 7/8¢.

Under these circumstances it must be admitted that our wheat mart made a very bad showing, the main future declining 1/2¢ per bushel mpared with yesterday. This, however, should not becloud one's views, a speculation is extremely light at the present time. New purchasers e badly needed at the moment, when there is a tremendous movement gog on from the Pacific coast to both the Northwest and the Southwest, l of which is being hedged, and at the moment does not seem to be sorbed without sacrifice. In view of the fact that the Winnipeg mart kept strong regardless of these conditions, it is quite evident at our millers will have to pay higher prices for their wheat, which entually must also be another strengthening factor.

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The importance of these Canadian importations can be best understood when we point out that from July 1 to August 31, Canadian wheat imports for consumption amounted to 2,369,000 bu against only 429,000 last year. The primary movement, which includes a great deal of this western wheat, continues to be very heavy: 1,740,000 bu versus 770,000 last year. Stocks at Kansas City, Duluth and Minneapolis show an increase of 1,218,000 bu so far this week.

The government report on corn was superficially construed as bullish, inasmuch as there was a deterioration of about 90 million bu during the month of August. However, in analyzing the detailed information, we find that the large surplus states promise tremendou crops: namely, Iowa, 354million bu compared with 196 million bu th previous season, and Illinois 273 million bu compared with 147 million bu in 1934. Therefore when the movement once starts in earnest, there is bound to be a big surplus for the terminal markets. As a consequence of more mature thinking the final effect wa liquidation in May corn, which closed considerably lower. Septembe kept strong all the time and closed higher. No.2 yellow corn is still selling at 6¢ over the September, and 15,000 bu more of warehouse receipts were cancelled for shipment. The open interest is still 6,165,000 bu and the shorts are becoming more nervous.

Oats did not fluctuate very much, closing a trifle lower, bu rye sympathized with wheat ending in a moderate decline.

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September 12, 1935

The Canadian government report issued yesterday afternoon was onstrued as bullish by foreign interests. The total crop, including he eastern part, in addition to the three western provinces, was sup- bsed to yield 290 million bu. This probably was in line with the alculations of private experts; but the further statement was made hat possibly 60 million bu was unmillable wheat. Last year also a arge quantity was raised which could only be used for feeding animals, nd a fair amount was exported to this country where it was admitted n a 10 per cent ad valorem duty instead of the 42¢ per bushel for heat fit for human use. Consequently, if we take the figures as given s positive facts, there would be only 230 million bu of Canadian wheat n this crop for bread-making purposes.

It is worth while then to consider how it will affect the world ituation. According to Broomhall's estimate, importers' requirements or the year from August 7, 1935 to August 31, 1936 are likely to be 40 million bu. However, this did not include needs of the United tates, which are now likely to be 50 million bu, which would raise the uantity to be purchased from the exporting countries to 590 million u. The same authority estimates that Australia and Argentina might urnish 184 million bu; Russia, the Danubian countries and others 72 illion bu, or a total of 256 million bu. This would leave 334 million u needed from Canada. Of course, there are many loopholes. The nited States might manage with a little less; Russia might ship a ittle more, and possibly some countries might be practicing economies. et, it is quite evident that the bulk of the wheat that can be spared y the exporters, and which will be available, will be needed. The act that present supplies in Australia are about 30 million bu less han in 1934, and those in Argentina 40 million bu less, makes it uite certain, with the poorer crop prospects, the Southern Hemisphere ill not come with any great surprises in the way of supplies.

This week shipments from the Black sea amounted to 1,048,000 bu, ith none cleared last year. Argentina shipped about 3 million bu gainst 4,200,000 bu in 1934.

Broomhall continues to report the drought in the Argentine as eing unrelieved, and both Liverpool and Argentine markets reported w advances. Liverpool futures finally closed 3/8 to 3/4¢ higher than he previous day.

It is conceded that as a general rule the Englishman is somewhat ore phlegmatic than the American, and does not get excited as easily. rtually every year without exception, if the total daily fluctua- ions in Chicago would be computed and comparisons made with those at iverpool, it would be found that we have many more ups and downs than hey have abroad. When, therefore, the English markets show such eady advances as they have of late, it must be surmised that it is ot due to any emotional buying, but based on hard facts, they recog- izing the whole world situation has changed, and that from a great ver-abundance, which had existed for many years, a situation is now eing created where supply and demand balance each other very closely. , nevertheless, our market under these circumstances makes such oor responses as of late, including today, we believe it should not scourage either millers from laying in their supplies, or others to ake a constructive view, provided they have sufficient patience to ait until finally demand in this country will overtake the supply.

(OVER)

At the present time heavy hedging sales are still more or less of a burden. Canadian marketings today were 3,617,000 bu and part of this no doubt has to be hedged here temporarily. Our primary receipts also are keeping fairly large, and stocks momentarily are still on the increase. Primary receipts today were 1,772,000 bu compared with only 700,000 last year, but premiums are as strong as ever, and cash wheat is finding ready buyers for everything that is offered and way above the level of futures price Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 1,577,000 bushels.

At the close the wheat market was 5/8¢ per bushel lower than yesterday.

Corn receipts continue to be extremely light --only 173,000 bu today versus 725,000 a year ago. The open interest in September corn decreased only 194,000 bu yesterday, and is still about 6 million bushels. #2 yellow corn if anything brought bigger premiums --from 6 to 6 1/2¢ per bu. Therefore it is most unlikely that any deliveries can be made for some time. Nevertheless on scatered liquidation the market had a sharp drop at one time, and closed considerably lower than yesterday. We still believe that any aggressive buying on part of shorts would change this situation quickly. The most deferred futures of corn remain very weak on account of the splendid weather, which if it continues would give us greater yields than the last Government report indicated.

There was not much news to influence oats or rye prices, and the change in these cereals was comparatively small.

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CHICAGO MERCHANTILE EX.

CHICAGO Sept. 13, 1935

There are no signs of any weakening in the foreign situation. iverpool futures were somewhat lower before our session opened, but ractically recovered the decline and closed unchanged to 1/8¢ lower han on the previous day. In the meantime, Argentina quoted higher rices again; and with Winnipeg strong, despite a heavy movement, it is vident that cheap wheat is no longer obtainable on part of European illers.

The domestic situation continues to remain satisfactory, as there s a steady milling demand at continually rising premiums. While the ovement has been much heavier than was anticipated for the size of the rop, all cash wheat is being easily absorbed. Primary receipts were ,002,000 bu compared with 710,000 bu last year; but there is no reaon to change one's opinion regarding the small size of this year's rop. Most students of farm conditions still believe that the final rop report will show even smaller yields, if anything, than previously stimated. The fact of the matter is that a very much larger percentge of the crop is being moved early, farmers being highly pleased with he prices they/ are receiving for their wheat. Premiums in the Southest are tempting and enable dealers to pay more than a dollar per ushel to the farmer. Consequently, later on farmers' deliveries will e comparatively light and inroads will have to be made on accumulated tocks, in which case the Visible Supply should decrease faster than t did the past season. In the meantime, however, stocks are increasng - Kansas City, Duluth and Minneapolis gaining 1,815,000 bu so far his week, indicating prospects of a fair increase in the Visible Suply on Monday.

The largest amount of wheat ever available on July 1st was in the eriod 1931-32. The total then amounted to 1,265,000,000 bu, includng both crop and carry-over, also flour in terms of wheat. There as a steady yearly decrease, amounts being reduced to:

1932-33	1,137,393,000 bu
1933-34	929,596,000
1934-35	789,818,000
1935-36	755,620,000

herefore we are confronted this season with the smallest quantity nd probably would have to go back twenty-five years or more for any maller showing. Lately there were a number of years, owing to large mount of wheat being used for animal feeding and waste, on account of he low price, where the total consumption, including seed, reached rom 700 to 750 million bushels. The last two years, however, the disppearance was smaller, being about 608 million bushels in 1933-34, nd 631 million bushels the past year. We therefore still feel that othing but heavy importations can prevent a very tight situation beore this season ends.

Trade was comparatively light early, but before the close many lines hich had been sacrificed yesterday were reinstated, and final prices howed a gain of 1 1/2¢ per bushel.

Weather conditions continue to be extremely fine for the last growng days of the corn crop; but owing to the very light stocks which ill come into competition with the new crop, it may require some time efore the many holes will be filled. However, we believe that finaly supplies will be very plentiful and that it will be difficult to old up the price of the more deferred futures. The situation is diferent for September corn. Primary receipts were only 202,000 bu ersus 856,000 bu last year. The high price does not seem to attract ich corn to this market. Evidently the farmer has little to spare; d most outside points are able to realize even better prices than icago. The open interest decreased but very little yesterday and s still 5,859,000 bu. Stocks of contract corn in public elevators ast Monday, September 9th, were 545,000 bu. Since that time 180,000 have been shipped out, reducing the quantity to 365,000 bu. It is oubtful whether all the cancelled corn has been shipped yet, but toay 50,000 bu more were cancelled. It therefore appears to us as ough there were less than 300,000 bu available in Chicago for deivery on contracts. Of course under these circumstances there could t be any deliveries, and with almost one-half of the month gone, the tlook for the remainder of the month is still more gloomy as far as eliveries are concerned. We should advise all legitimate hedgers or orts to be very careful, and suggest covering short commitments bere the situation becomes too tight.

Oats and rye closed higher in sympathy with the strength in wheat

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CHICAGO MERCHANTILE EX.

September 14, 1935

Liverpool wheat cables were somewhat disappointing this morning, d following fully our advance of yesterday, but yet at the close hir October and December wheat were about 3/4 to 7/8¢ per bushel iher than the day before, while the March sold about 1/4¢ less. How- vr, sentiment has changed so completely of late that traders do not ome so easily discouraged, even if temporarily the market is faced h heavy hedging sales, thus preventing immediate sharp advances. best proof that more and more operators are inclined to take the structive side of wheat is shown in the continued gain in the open erest, which is now 112 million bu, having risen gradually from a- t 70 million bu, the lowest point. Even the more cautious ones are ued with the idea now that fundamentals are very sound both as re- ds the domestic and the world wheat situation. The picture has nged so completely during the last six weeks or two months that it k some time to penetrate the minds of everybody. As a consequence rations are so one-sided (all being on the bull side) that it oc- ionally causes some weakness, there being no shorts to sustain the ket when some want to sell out.

These technical facts, however, cause only temporary fluctuations. chief points to keep in mind are that the four largest exporters: ada, United Stated, Argentina and Australia, have suffered from eat deterioration in their crop outlook; and possibly estimates for lds are 300 million bu less than six weeks ago. Such diminution in ilable and prospective supplies makes a very great difference in ces, and it is doubtful whether the moderate advances we have ex- rienced so far from the lowest point have anywhere near fully dis- nted the situation.

Primary receipts continue to be very large -- 2,094,000 bu com- red with 697,000 last year. It is now estimated that possibly from o 10 million bu of western wheat had been purchased by our millers the central states, which partly accounts for the heavy movement at present time. With the short crops it is unlikely that this will tinue very much longer; and we look for smaller receipts next week. ocks at Kansas City, Duluth and Minneapolis show an increase of 36,000 bu. We expect a very large increase in the visible supply, apparently the movement during the past week had been extraordinarily avy with only a moderate outgo.

The cost of carrying wheat from now until the first of May, stor- e, insurance and interest, is considerably over 10¢ per bushel. The fference between September and May wheat is only about 1 1/2¢ per bu- el. It is very seldom that the bull on wheat has ever had such an portunity of buying the deferred future at the smallest kind of a emium; this does not occur once in ten years.

At the close the wheat market was practically unchanged for the st active future compared with yesterday.

The weather for corn continues to be extremely favorable, and as eculation always anticipates the future, there was more pressure on deferred deliveries. The immediate cash situation is strengthen- g all the time. Primary receipts today were only 249,000 bu against 1,000 a year ago. No. 2 yellow corn sold at about 6 to 6 1/2¢ over, d about 146,000 bushels more warehouse receipts were cancelled. ere were no deliveries; and it seems to us as if by next Monday ocks in public elevators will be reduced to less than 300,000 bu; is possible that almost every bushel now in public elevators will sold before the end of the month. We, therefore, caution both orts and hedgers against waiting too long to cover their commitments, they might be at the mercy of the owners of the cash corn and pplies are not any too plentiful.

Trade in rye and oats was very small and price changes unimpor- nt.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO Sept. 16, 1935.

A report from London that Lloyd Underwriters had cancelled e war risk insurance clause at present included in general policies s quite a help to our market today. We ourselves do not think this tion is particularly important. In normal times such as we had and en war risk is at a minimum hardly any extra charge is made for this ssibility of a conflagration. While in all probability there will no Europeam conflict. at least not in the early stages of the game, it is quite natural that as long as more uncertainties exist now, e extra payment should be exacted for possible war risk.

However, the fundamental situation in wheat even without war so strong that probably those who have made purchases on the report l have no regrets.

Liverpool closed again from 3/8 to 7/8¢ higher, with the rby future the strongest one, indicating continued comparative rcity. Argentina quoted an advance of over 2¢ per bushel during -day.

World shipments were again very small, 9,398,000 bu compared h 11,107,000 last year, and evidently not sufficient to maintain increase the small stocks now at the various European centers. So since July 1st the world exports were about 25 million bu less n the preceding year; and in all probability this quantity will have be made up sooner or later, as indications point to requirements h the same as in 1934. At this time of the year lately Argentina Australia have been the heaviest contributors, but with their cks reduced approximately 80 million bu compared with last year, it not likely that they will ship a great deal until their new crops e on the market. Probably even then their supplies might be very erate, as crop prospects are also very much below the average. refore, with the United States turned into an importer from an ex- ter, with France having withdrawn the licenses for shipments oad, with estimates as to Russian and Black sea shipments being erate, there is only one great reservoir left: namely, Canada. t experience has shown that that country knows how to take ad- tage of a situation such as exists at the present time. They have n patiently waiting for this opportunity for years, and when every- else was discouraged Canada was a reluctant seller at low prices, ays hoping that something might turn up to enable her to dispose of large carryovers from the previous years.

We think she will have that chance now. Farmers' deliveries Canada for the week ending Friday, September 13, amounted to 19 1/2 lion bu against almost 23 million bu last year. But the wheat was arently well absorbed with rising prices, and of course this heavy ement cannot last very long. It approximates 7 per cent of this r's estimated crop all in one week. In fact, all markets absorbed heavy offerings last week in a wonderful way, confirming the in- ently sound situation in this cereal.

Primary receipts were again very heavy, amounting to 3,637,000 versus 963,000 last year; but we are inclined to believe that we ll probably not have another day on this crop with such big arrivals. reports from the Southwest indicate a very light movement in the ntry, and as the spring wheat movement has been extraordinarily y considering the size of the crop, we look for a very early ing off. The visible supply showed a very large increase of 3,000 bu compared with a decrease in 1934 parallel week of 1,000bu, but the total is still 46 million bu less than in the ceding season, and from now on we expect only very moderate in- ases, with possible decreases in another month or so.

(OVER)

The weather for corn continues to be perfect, as though made to order. We believe the next Government report will show larger estimates as to the probable yield than the previous one.

Old corn, however, remains scarcer than ever, and primary receipts were only 361,000 bu against 1,219,000 a year ago. The visible supply decreased 1,182,000; almost 20 per cent of what it was a week ago, and it has now been reduced to 4,688,000 bu while last year it was 60,022,000 bu. Chicago stocks of corn were almost cut in half during the past week, decreasing 503,000 bushels, and they are now reduced to 602,000 bu. As we know of some further cancellations in public elevators, which corn has not yet been shipped, we expect a further decrease this week; and stocks in public elevators might be reduced to close to 100,000 bu or so.

The open interest in September corn on Saturday was still 5,910,000 bu, so we ourselves do not quite see how shorts or hedgers can possibly fill their contracts if the longs, who may be partly consumers, should insist upon delivery. We, therefore, without trying to influence anybody, again caution every short to face the situation as it is. We doubt if we have ever seen quite as tight a proposition in any cereal as will probably exist in September corn, unless there should be some arrivals from somewhere; but we cannot at this time spot any other terminal market where stocks and price justify shipment to Chicago. We anticipate conditions will be entirely the reverse when the new corn comes on the market, as with a normal movement all holes could quickly be filled up, and create an abundance where scarcity now exists.

Rye advanced in sympathy with wheat, but oats could just about hold their own, hedging sales being too heavy and accumulations continue to be large.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO Sept. 17, 1935.

The war scare which was the dominant feature in our market yes-
day subsided considerably today. The news fromEurope is more
ssuring. However, the further deterioration of the Argentine wheat
p, and an excited rising market at Buenos Aires, started the up-
d movement, which we have been expecting and predicting for a long
e.

It is now claimed that crop prospects in the Argentine are so
r that the exportable surplus next year might not be over 25 million
hels with a maximum of 50 million bu. Considering that that coun-
has been at times the largest exporter, the seriousness of this
uation can easily be appreciated. Also taking into account that
Southern Hemisphere has about 70 to 80 million bushels less wheat
t than similar period last year and that the United States will be
importer there is positively only one country left, namely -Canada,
ch can be depended upon to furnish the importing countries with
ir requirements.

Liverpool finally woke up to this condition, and prices for
ures there advanced from 3 5/8 to 4 5/8¢ per bu. This, following
ady advances for almost ten days, indicates clearly that views on
at values have entirely changed.

It is also claimed that everything in cash wheat which was
ered overnight was accepted by European countries. This necessarily
ught in many new buyers here today. With the inherent soundness
this cereal, which has been pointed out right along, this was all
t was needed to bring in new speculative buyers to boost the mar-
considerably. There was a sharp rise at the opening, which contin-
almost to the end, with reactions of only minor importance.

The open interest has been gaining right along, and is now
,400,000 bu, undoubtedly increasing again today. So there is no
ger any fear that hedging sales cannot be easily taken care of un-
the time comes when the daily consumption will overtake supplies.

The domestic situation remains as strong as ever, and while
premiums have been so very high they did not suffer much from
nces in the futures and practically followed in every market that
now of. At one time the Minneapolis September had advanced the
5¢ limit permissible in one day, and there was hardly any re-
on from that high point.

Primary receipts were somewhat more moderate, being 1,237,000
ompared with 1,658,000 last week, and 889,000 a year ago. Stocks
ansas City, Duluth and Minneapolis so far this week show an in-
se of 780,000 bu.

The present valueof wheat futures, plus the high premiums which
being paid for the cash, together with the 30¢ processing tax,
s the price very high for the miller and the baker; and a still
her advance might have the tendency toward a larger use of sub-
utes and a decreasing consumption. However, for the present, we
l think that the least resistance will be on the upside of the
et.

At the close the market showed an advance of 4¢ per bu, which
practically the top for the day.

Corn, oats and rye futures all followed in sympathy with the
nce in wheat, and actual conditions pertaining to these cereals
ignored for the time being.

Primary receipts of corn continue to be light --only 425,000
gainst 679,000 a year ago, but Chicago unexpectedly received
t 274,000 bu, part of which was shipped from the East, evidently
pply short contracts. If much more of this cash corn should come
unexpected quarters it finally might ease up the situation in
ember corn. This will be badly needed as the amount in public
tors at the present time is only 227,000 bu; and we believe the
st portion of this is already sold, so shorts will have to de-
entirely upon new arrivals.

The bull fever seems to be on now, and as it usually does not
n one day, we look for further strong markets at least for a while.

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CHICAGO MERCANTILE EX.

CHICAGO Sept. 18, 1935.

The war scare seems to be over at the moment, or at least great-
y modified. We believe it will be well until new alarms have been
ounded to pay less attention to politics than to the actual wheat
ituation.

The Argentine market was a trifle lower today, and Liverpool
utures registered a decline of 7/8 to 1 7/8¢ per bu. To anyone with
xperience in the grain trade, this should have been no surprise.
he Buenos Aires market shows an increase from its low point of over
5¢ a bushel, which naturally discounts a great deal of the damage
aused to the new crop. Furthermore, the latest estimates as to the
robable outcome of the growing crop were so low that possibly there
as some exaggeration and we have probably heard the worst.

Liverpool futures were also due for a reaction, but these tem-
orary fluctuations are not changing the world picture one iota. As
ar as the importing world is concerned, for the first time in twenty-
ive years or more they are virtually dependent upon one country for at
east 50 per cent of their supplies. In normal years the United
tates, Canada, Argentina, Australia and the Balkan countries, to-
ether with Russia, all furnished reasonable quantities. This season
he United States is positively excluded as an exporter. The Southern
emisphere will furnish verymuch less than normally, and the Balkan
tates cannot be relied upon for sizable quantities. It is true
anada with her large carryover has plenty and will prevent a very
cute situation, but nevertheless where competition is so restricted,
t is easier to believe prices will advance than that they will de-
line. This particularly so as Canada has found a new important cus-
omer: namely, the United States, as they are compelled to help us
ut, we not having sufficient wheat for our domestic needs.

We could not escape the weakening influences from abroad and
ur market opened almost a cent a bushel lower. During the session
reater caution was displayed, but the trade in general still feels
ery hopeful as to ultimately higher prices.

The domestic situation appears very promising from the long-time
oint of view, although we are still confronted with heavy primary
eceipts and good hedging sales. This we believe will continue as
ong as the price level advances, because farmers everywhere are well
atisfied, and will continue to be free sellers. This, however, will
ll be at the expense of a decreased movement later on. It is now
laimed from many parts of the Southwest that a larger percentage of
he crop has been disposed of for this period of the year than usual.
rimary receipts were 1,646,000 bu compared with only 539,000 bu last
ear; but fortunately there was a tremendous demand on part of millers
o remove hedges and it is estimated that about 1,600,000 bu were
aken out of the market. This was a great offset against liquidating
ales, the large advance of late having induced many to take profits.
here is an easing in premiums, but as long as the milling demand re-
ains active, and with the knowledge that practically every bushel of
heat available in the United States will be needed sooner or later,
e see no material declines in sight and think the least resistance
ill be on the constructive side.

Stocks at Kansas City, as well as Duluth and Minneapolis, show
n increase so far this week of 1,315,000 bu; and for the present we
till have to figure on further increases in the visible supply next
onday.

At the close the market showed a decline of 1 3/8¢ per bushel
ompared with yesterday.

Corn receipts continue to be light, only 216,000 bu at all pri-
ary markets against 472,000 bu last year. For the first time this
onth some corn was unloaded in public elevators, with the possible
ntention of making deliveries later on, should it become necessary.
t the present time, while the price for cash corn was somewhat lower
oday, about 1/2¢, the premium is still 5 1/4¢ over September, and
herefore deliveries cannot yet be made on a profitable basis. The
pen interest decreased more heavily yesterday, about 834,000 bu, but
t is still practically 5 million bu. As there are only eleven busi-
ess days left, including today to liquidate all open contracts, al-
ost anything can happen. It is still an open question whether the
ongs or the shorts will be frightened first, but in the meantime they
oth seem to be very obstinate, each believing that he will win out.

The weather for the growing crop continues to be excellent, and
he new crop futures declined as a consequence. Oats and rye with
o independent stand declined in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO Sept. 19, 1935.

Both Liverpool and Argentine markets were extremely strong be-
e our session opened and both for the same reason, viz., confirma-
n of extreme damage to the Argentine wheat crop. Advances were
te sensational, Buenos Aires quotations being about 4 1/8¢ higher;
Liverpool futures had advanced over three cents per bushel.

The war talk at that time had rather subsided, and we are al-
t inclined to think that the wheat market would have acted much the
e as it did lately had there never been any fear of a possible con-
gration. The very fact that the wheat crops in every important
orting country had gone back considerably, and in some of them in
ensational way, has so completely changed the picture of supplies
pared to demand that no other incentives were needed to boost prices.

Broomhall reports having received a cable from his agent stat-
that an important reduction in the wheat acreage in the north of
entina is now certain, and dry clear weather continues. While, of
rse, it is possible with timely rains that crop prospects will im-
ve there, at the same time sufficient damage has already been done
make sure of a very much reduced acreage, and it would not be good
icy on part of foreign importers to figure for the next twelve
ths on receiving heavy supplies from the Southern Hemisphere.

When we consider that Argentina and Australia started on
ust 1st with about 80 million bu less wheat than in 1934, that their
bined crops might be from 100 to 130 million bu less than last sea-
, we have a deficiency there of over 200 million bu or more, which
not being made up by any other country that we know of.

Canada has approximately the same quantity of wheat to dispose
as last season; but France has considerably less; the United States
considerably less wheat on hand on July 1st than at anytime in
years, adding carryover to the new crop raised. Probably Russia
the Balkan states will furnish more, but only in such a moderate
so the additional exports will only be an infinitesimal part of
deficiency of the other countries mentioned.

Argentine shipments this week are estimated to be 2,572,000
compared with 3,201,000 in 1934, but Black sea shipments are con-
erably heavier --about 1,018,000 bu versus 200,000 last year. Un-
s North America has cleared a great deal, we believe that the
l world shipments will again be very moderate.

Our market responded very easily to the improved situation
abroad because traders were aware all the time that the domestic
ation alone is strong enough to justify very high prices, and a
ction in values could only come through heavy importations. The
nces here were quite rapid at the opening; the undertone during
whole session was firm with very few exceptions. At one time
ad a sympathetic decline with the weakening stock market, and it
reported that foreigners were heavy sellers of securities. It
have been influenced by further nervousness regarding the
opian question, and this may continue until this problem is set-
.

In our opinion, a heavy movement will continue as long as
es are so very satisfactory to the farmer, but this will all be at
expense of reduced stocks later on.

Primary receipts today were 1,529,000 bu compared with only
000 last year, and stocks at Minneapolis, Kansas City and Duluth
ar this week increased 1,776,000 bu, indicating another fair-sized
ease in the visible supply on Monday.

There was some recession finally from the highest figures real-
early at Buenos Aires and Liverpool. We also could not maintain
top quotations, but nevertheless at the close our futures showed
dvance of 2 3/8¢ per bu compared with yesterday.

The effect on the deferred futures of corn was apparent only
he opening, as the wonderfully favorable weather for the best de-
pment of the crop is a great offset. Primary receipts were
l --271,000 bu against 487,000 a year ago. Even September corn
only in moderate demand, although good premiums are still being
for the cash article, #2 yellow corn being 5¢ over the nearby
re.

Oats were rather neglected, but rye sympathised with wheat and
oed about 2¢ per bushel higher.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO Sept. 20, 1935.

Early Liverpool cables showed a great firmness, but there were ome declines from the high point before our session opened, the lose registering a further reaction from yesterday, with final rices unchanged to 1/2¢ lower.

There was more confidence that war will be averted, and a sharp reak in securities caused a very weak feeling at the opening. Liquiation was very extensive and considering the large quantities which ad been disposed of and for which new buyers had to be found, we beieve the market acted reasonably well. There is a widespread feelng that regardless of what extra benefits the buyer of commodities ould receive in case of a war, natural conditions are sound enough o justify current wheat values.

More important than anything else to us at the present time s the great deterioration of the wheat crop which has taken place n the Argentine, and which can only be compared, we think, with what appened to ours in the Southwest, which must be still in the minds f everyone. Shipments from that country continue to be rather arge, 2 1/2 million bu compared with about 3,200,000 in 1934; but the isible supply is decreasing right along, having been reduced to bout 10 million bu versus 17,635,000 last year. We are convinced hat this movement of old wheat will gradually become smaller and maller. This will also happen more or less in Australia where ,883,000 bu were cleared this week. The old supplies have been so uch reduced that only the attractive price being paid at the present ime accounts for the liberal offerings.

To illustrate the importance to the wheat trade of Australia, rgentina and Canada, we wish to point out that these three countries ave a population of about 27 million. Consequently a very moderate ome consumption, but in several years they exported together over 00 million bu of wheat. Inasmuch as Broomhall estimates that the equirements of all importing nations, which means both Europe and x-Europe, are only 540 million bu this season, it is quite evident hat might have happened had they produced their normal crops. With he outturn so largely reduced in Canada from earlier estimates, and ith much poorer prospects in the Southern Hemisphere, we doubt whethr these three countries could ship this year over 325 to 350 million u of this season's raisings; for the balance which will be needd drafts will have to be made on the old stocks.

Primary receipts of wheat were very heavy again, 2,146,000 bu ompared with 1,028,000 parallel week in 1934. However, 277,000 bu f this is a duplication, having been received in Chicago by lake rom Toledo. Stocks at Kansas City, Duluth and Minneapolis so far his week show an increase of 2,174,000 bu; and we should not be surrised if the visible supply on Monday would show an increase of 4 to million bu. However, as we pointed out before, this heavy movement s largely due to a very satisfactory price to the farmer, and by he turn of the year stocks in farmers' hands ought to be extrardinarily low; therefore only of temporary importance.

What interests us more than anything else is the weather in the rgentine. If reports are correct that the standing acreage has een reduced to about 10 or 12 million acres, with an average yield hey would raise only 120 to 140 million bu, and with a normal conumption of 95 million bu, there certainly could not be much left ver for export. As long as the drought continues estimates will have o be reduced further.

Therefore in a possibly overbought market there is no reason r a panicky feeling should we have temporary declines, as the fundantals remain sound. The open interest increased yesterday to the ghest point reached of late --almost 114 million bu.

At the close the wheat market showed a moderate decline for the y of 5/8¢ per bu.

During the whole session the Minneapolis market remained very rong, and at times was very much higher than yesterday. An early duction in receipts is expected, and some of the lower grades of sh wheat sold at smaller discounts than heretofore.

There was not much change in the old crop situation of corn. yellow is still bringing 5 to 5 1/4¢ premium, but both longs and orts seem to be liquidating their September contracts on a larger ale. The open interest yesterday decreased 417,000 bu, and has now en reduced to 4,409,000 bu. The crop outlook continues to be high favorable. Nevertheless there was no pressure to sell, and the derred futures closed higher. Rye was independently strong; and ts showed but small fluctuations.

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CHICAGO MERCHANTILE EX.

Sept. 21, 1935.

The grain markets of the world are still very largely in-uenced by the news regarding prospects of the Italo-Ethiopian con-ict. Europe overnight took a rather more optimistic view, and in nsequence sent us considerably weaker cables on their wheat futures. ere is, however, no tangible evidence as yet that Italy will make ncessions to avert a catastrophe, but in any case Mussolini doesn't em quite as cock-sure of himself; this is already a great point ined. Finally if war can be averted, we shall probably have lived an epoch which in the future will be recognized as one of the great rning points in history. It will demonstrate that the League of tions is a going concern with great powers through commercial or litary sanctions if harmony exists, and it will be difficult in ture for any usurper for purely selfish reasons and desire for ag-andizement to become a peace disturber. When the people of the rld are once imbued with the thought, it will not be long before ny disturbing questions are settled. It will finally bring about onomies in militaristic establishments, and, therefore, reductions governmental expenses and taxes. It will help to solve the pro-em of stabilization and greater prosperity would naturally lead to eater consumption of grains, so that cereals would also benefit in-ectly from this change.

We ourselves are still inclined to contemplate what the value wheat is likely to be ex-war, and would rather take an optimistic ew from the statistical situation as we see it. Broomhall estimate t Australiawill probably have a surplus for export to Europe and -Europe of 65 million bu, and if we take this previous estimates Argentina of 45 million bu, the Southern Hemisphere will have only million bu to spare. This compares with about 250 million bushels normal crop years. If we add 60 million bu for Russia and the ubian Provinces, and possibly another 30 million from sundry coun es just to be on the safe side, we can count on only 200 million for the importing world outside of Canada. Possibly the Southern isphere will carry over about 30 million bu less, so that in case a pinch 230 million bu could be provided for. The estimated needs 540 million bu without the United States; and if we add 40 million for their requirements, there would be a deficiency of 356 million which would have to be shipped from Canada in order to comfortably pply the wants of everybody.

Possibly if prices go too high the Orient will use larger unts of substitutes and cut its importations. However, so far ce August 1st that country has purchased within 3 million bu as h wheat as in 1934, while Europe took 15 million bu less; but this at the expense of reduced stocks and smaller amounts on passage, ch is likely to be made up at some future time.

The decline in futures at Liverpool amounting to 1 1/4 to 1 7/8¢ bushel gave the cue to traders here. With this weakness abroad y became rather discouraged and liquidation which had started yes-day continued.

In the meantime, however, the domestic situation remains as ong as ever. Sales in the Southwest continue to be made to millers unchanged high premiums, and it is still more difficult to buy e quantities of choice wheat than it is to sell them. Consider-that this is only the third month of the crop year, we can easily alize the situation later on when receipts are bound to drop off when this abnormal condition will be still more accentuated.

Primary receipts are still large --1,470,000 bu compared with 000 last year; and stocks at Kansas City, Duluth and Minneapolis an increase so far this week of 2,187,000 bu. The movement for week has been almost 7 million bu larger than during parallel week ar ago. Consequently we look for a large increase in the visible ly, but the shortage will not be really felt until later on, and by next month we think receipts will dwindle very largely.

At the close the wheat market showed a decline of 1¢ per bu ared with yesterday's final figures.

September corn still keeps strong. As there are no deliveries ncourages some of the holders to await developments before selling r long commitments while cash premiums remain high. May corn shows weakness, weather continuing to be fine for the best development his cereal.

Oats varied but little and showed comparative firmness, while declined somewhat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

September 23, 1935

The bulls in the wheat market have had to contend with a great
al of temporary adverse news of late, although what is more impor-
nt- fundamentals have not changed. To start with the outlook for
major war is less threatening and a number of purchases which had
en made for fear that there was a moderate danger that this would
ppen in the near future, has caused some longs to realize.

The Liverpool market particularly showed great weakness on ac-
unt of the improved political outlook, and futures there today de-
ined from 1 1/8 to 2 5/8¢ per bushel compared with Saturday. The
markable feature of the situation in Liverpool is that the nearby
ture, October, is selling 7¢ a bushel higher than the further
ferred one: namely, March. Such a variance in prices occurs very
ten when the nearby wheat is very scarce and when prospects are
vorable, so that later on the reverse will happen and the shortage
ll be relieved. That cash wheat at the present time is not abundant
Europe is plain, and therefore the great strength in the cash mar-
ts is easily explainable. But why traders should expect the op-
site in March, with the crop outlook in Argentina and Australia so
ry poor, is a riddle to us. Of course it might be possible that t
ey expect heavier shipments from Russia than Broomhall indicates,
perhaps they are acting as if they would already own all the
nadian wheat and figure that Canada must sell it sooner or later at
price which they can dictate.

We ourselves do not believe this will be a year when buyers can
ctate terms. Last year after this period until January 1, Argentina
eared 32,700,000 bu and Australia 29,700,000 bu. So together the
uthern Hemisp here furnished over 62 million bu of wheat for the
lance of the calender year. From all indications their clear-
ces will be extremely light from now on, and particularly so after
xt January. Small exports are in order for about fifteen months.
will really be a very prolonged period in which South American of-
rings will be of small proportions. The weather in the Argentine
ntinues to be dry, and we must assume that crop prospects are de-
riorating further. This, in our opinion, will be more important
an anything else which might happen just now, because crops in the
rthern Hemisphere and in Europe are virtually made.

World shipments were reasonable --9,781,000 bu compared with
367,000 bu last year; and for the first time on this crop they ex-
eded those of the past season.

Canadian farmers ' deliveries for the week ending Sept. 20th
re also extremely heavy --almost 20 million bu against only 11 mil-
on bu a year ago. It is evident with the size of the crop that
is cannot last very long.

Also in the United States a similar strong desire on part of the
rmer to dispose of his crop exists. Primary receipts were again
ry large, being 2,472,000 bu versus 692,000 parallel week in 1934.
avy hedging sales, under these circumstances, were unavoidable,
t the open interest is increasing continually, and is now 114,266,-
0 bu. No matter how inherently sound the situation might be, the
al shortage of our crop natura lly will not be felt until the re-
rse occurs and consumption over-takes supplies. In the meantime
uthwestern millers are as anxious as ever to cover their wants, and
emiums for choice wheat are being well maintained in all markets.

(over)

The importations of Canadian wheat for consumption from July 1st to September 14th amount to 3,298,000 bu. The visible supply shows an increase this week of 3,199,000 bu; this is somewhat smaller than expected but yet makes a favorable comparison with 1934 when the increase was 873,000 bu. However, total stocks are still 43,631,000 bu less than a year ago.

The market at no time reached Saturday's closing level, and final quotations showed a decline for the day of 1¢ per bu.

Weather continues to be extremely favorable for corn, and everybody is looking forward to largely increased estimates on the growing crop when the next Government figures are given to the trade. Primary receipts of corn remain light --449,000 bu against 710,000 a year ago. However they are increasing slightly in the Chicago territory, some hedgers evidently getting ready to fill their contracts. Premiums keep strong at 5 to 5 1/4¢ over September; therefore, deliveries cannot yet be made on a profitable basis. In the meantime stocks at Chicago decreased 62,000 bu, and are now down to the low point of 540,000 bu. The total visible supply also decreased 772,000 bu; the amount of corn at all terminal points in this country is only 3,199,000 bu compared with 60,447,000 last year. So it is apparent, even with an early movement and a large crop, that it will take a long time before all these holes can be filled. Therefore there is much hesitancy about selling December corn short; it will require very favorable weather in December for accumulations, while by next May supplies might be very plentiful.

Oats varied but little, declining slightly in sympathy with the other grains.

Trade in rye was light, fluctuations small, and prices kept comparatively firm.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO Sept. 24, 1935.

A much more cheerful feeling existed today regarding the outc
me of the Italo-Ethiopian controversy, and there is no longer any
ute fear of the probability of an immediate war. The security mar-
ts everywhere responded to this change of sentiment.

Liverpool wheat cables showed only a very small advance in
eir futures --1/8 to 7/8¢-- this in spite of the fact that the
ought in the Argentine continues. The rains which had been expected
re only very trivial and not sufficient to relieve the situation
terially. Again the strongest future at Liverpool was the nearby
e, viz., October, confirming our previous view that the strength in
e wheat market is due more to its own merits rather than to political
uses.

Our market after a slightly lower opening became very strong
e to domestic conditions. A sale was reported of 30,000 bu red
eat to Texas mills from Chicago. The high prices which were being
id right along in both St. Louis and Kansas City foreshadowed that
is could soon come. In both these markets red wheat had been sell-
g at very stiff premiums for sometime; and St. Louis stocks de-
eased last week 250,000 bu with another big decrease expected this
ek, furnishing conclusive evidence that this much neglected soft
eat is likely to come into its own before long.

Inasmuch as there was no reason for the Chicago futures sell-
g at such comparatively large discounts with spring wheat markets,
well as other Southwestern points, except a temporary abundance of
d wheat, any adjustment would naturally help the value of our
tures more than anything else.

For the present primary receipts are still very heavy, today's
ing 1,571,000 bu compared with 678,000 bu last year. However, judg-
g from past experience this cannot last very long. Of the 1932 wheat
op amounting to 745 million bu., primary markets received for the
elve months starting with July 1, 282 million bu, or about 38%. Of
e 1933 crop of 529 million bu, 199 million bu, or about 38%, were
ceived at primary points. In 1934 with a wheat crop of 496 mil-
on bu., 160 million bu, or about 33% were received at same points.
suming that on this year's crop of 596 million bu, the primary re-
ipts should be about 35% more or less, then the total for the twelve
nths would be 208 million bu. So far up to last Saturday, 108
llion bu were received in considerably less than three months. This
uld leave for the next nine months and seven days, approximately 100
llion bu. For 230 business days this would be equal to an average
440,000 bu daily. Consequently the larger the movement now, on
count of satisfactory prices to the farmer, the smaller it will have
be later on. On this assumption we look for the demand to over-
e supplies very shortly, and while we have increases in the visible
pply at the present, large decreases will be in order later on. Of
urse there is the possibility that owing to the short supplies this
ar, central markets will have to draw from a very much wider terri-
y than ordinarily, which might increase primary receipts but would
change the situation. The Pacific coast wheat which plays a more
portant part this season than usual is naturally figured in the
al supplies raised.

Just now the increases in stocks continue, and Kansas City,
uth and Minneapolis so far this week show an addition to previous
cks of 597,000 bu.

With this statistically strong situation it requires only the
ghtest speculation to bring in new buying orders at these prices.
s happened today early when the sale of wheat to Texas was re-
rted, and the undertone remained firm until the close, final prices
futures being about unchanged.

(O V E R)

The weather for corn continues to be superb and new futures of corn could not profit by the strength in wheat and rye, transaction during the session being at lower levels. However great apprehensio exists regarding the winding up of contracts for September. This is now the 24th day of the month and not a delivery of a single bushel of corn has been made. After today there will be only five more sessions left to liquidate contracts. The open interest yesterday decreased only 65,000 bu and still amounts to over 4 million bu. This is larger than the whole visible supply of corn in the United States. Chicago stocks in public elevators are only 92,000 bu 2 yellow and 66,000 bu 3 yellow corn --all worth a premium. New arrivals, while the premiums were somewhat reduced, are still bringing considerably better prices than the future --about 3¢ for #2 yellow corn.

The rye market was very strong without any fresh bull news. The fact of the matter is that whenever wheat is strong many new purchasers come into the market in sympathy, for the reason this cereal can still be acquired at a very low price.

Trade in oats was very light, with fluctuations entirely unimportant.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

Sept. 25, 1935.

Liverpool futures closed 1 1/4¢ higher in American money for he October delivery and 1¢ lower for the March. The extraordinary ifference between these two futures must set thinking every student f the world's wheat situation. Liverpool October wheat in our money igures 97 1/2¢ per bu and 87 1/2¢ for March, a discount of 10¢ per u. This is most unusual. The high price for early delivery hows that there must be an actual scarcity at the moment, because ere it not so no miller or speculator would pay the premium with ndications that the longer he waits the cheaper he can get his suplies. Even the December future is selling at 6¢ discount. As far s the October wheat is concerned, it is selling now within 2¢ of the ighest price on this crop and is bringing 6 1/4¢ per bu over Winnipeg ctober, which is quite normal. On the other hand the March wheat s selling at about 8¢ discount under Winnipeg May wheat.

There must have been periods in the past when similar disounts for the deferred future existed; but wheat conditions then ere different. It would be entirely in order and easy to explain if e could assume that later on a great plenty were in sight to justify uch a discount, and were the Argentine and Australian crop prospects ery favorable. We should then thoroughly sympathize with this reaoning, but we all know that this is not the case at the present ime. On the contrary as time goes on clearances from the Argentine ust of necessity become smaller and smaller, with the poor crop rospects and the small stocks. Also the Australian outlook is not ery promising --hardly up to the average, with a small carryover rom the past season and a reduced acreage. It is, of course, posible that the Europeans, who are better posted on Russia than we re, may have in mind that later on that country might furnish larger uantities to them, but if Broomhall's estimates can be relied upon, his is not likely to be the case. It is certainly a situation that eeds watching, although as long as we are on a domestic basis, and s long as Canadian futures are at a premium over the current ones, t is hardly probable that we shall be swamped with importations from anada. In the meantime unfavorable weather continues in the rgentine and the drought so far has not been relieved.

The estimated crop in France is about 52 million bu smaller han last year and that country also was an important factor as an xporter during the past season. She probably has no surplus to pare, although we doubt whether she will be an importer and if so nly to the smallest extent.

Bradstreet reports the weekly clearances from Canada as ,793,000 bu, which is larger than last week's, about in line with ast year, but still very small considering that farmers' deliveries re at the rate of 20 million bu a week. However, no doubt from now n the demand fromCanada will improve steadily, and we should not be urprised if at the end of the year she would have supplied 50 percent f the requirements of all the importing nations. In the meantime, owever, she feels the pressure of hedging sales, but the time will ome naturally when they will have to be removed.

The domestic situation remains strong from the cash point of iew. Premiums are very well maintained and choice wheat cannot be ought at any concessions. Primary receipts are still big, although ot as large as last week, showing some falling off; 1,355,000 bu ersus 1,646,000 last week, but only 604,000 bu last year. Stocks t Kansas City, Duluth and Minneapolis show an increase so far this eek of 1,178,000 bu, but we think very few other points will show ncreases, and we doubt whether the visible supply will record large dditions to the stocks on next Monday. Taking into account the more heerful view taken by the Europeans about the political outcome with taly, and also the weakness in Winnipeg, we think the market acted

(O V E R)

very well, showing at the close an advance of 1/8¢ per bushel compared with yesterday.

The open interest in wheat is now 116,135,000 bu, gradually gaining from the minimum of 70 million bu, and the biggest on the crop. It is evident from this that wheat is gaining friends right along and may seem to feel that it has speculative possibilities. This of course makes it also more vulnerable temporarily, should a number of them wish to liquidate at the same time.

The continuance of favorable weather for corn, which daily reduces the danger of frost, caused December and May corn to decline considerably. However, the September future remains strong, and the open interest yesterday declined only 253,000 bu. It is still almost 3,800,000 bu, and this all has to be cleaned up before next Monday's close. Receipts are somewhat larger and premiums are declining, No.2 yellow corn bringing only about 1 1/2¢ over the future. We do not think it advisable to remain short this cereal, as anything might happen if too many owners should insist on delivery.

Oats showed but small fluctuations; and trade in rye was also unimportant with a moderate decline.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO Sept. 26, 1935.

The drought in the Argentine continues and this undoubtedly
s the cause of somewhat higher cables before our session opened.
wever, the strength abroad did not last and final prices for Liver-
ol futures declined from 1/4 to 3/4¢ in American money.

Looking backward we have come to the conclusion that the sharp
vance abroad lasting for about ten days was probably stimulated by
e war scare, and though it might have occurred anyhow it possibly
uld have taken a month to do so. With a more peaceful outlook now
d less probability of a serious war, there is quite a good deal of
quidation. It may take a little time before the actual strengthen-
g statistical situation will assert itself again.

However, the long predicted decreases in Argentine clearances
w are being realized. Their estimated shipments this week are only
176,000 bu compared with 3,785,000 bu last year. Part of this will
made up from the Black sea, which was also expected, clearances be-
g 1,288,000 bu while there were no shipments last season same period.
t even at that with probably only moderate clearances from Australia,
e total furnished by the exporting countries of the world will be
rdly sufficient for the needed requirements of the importing nations.
illustrate the importance of Argentina as a wheat raiser, we wish
point out that her acreage in the year 1930-31 was above 21 million
res. During the period from 1929 to 1933-34 it was virtually 20
llion acres average, while this year it has been reduced to 14 mil-
on acres, with a poor crop outlook on this standing area.

The trade here today was rather light and fluctuations small.
e feeling remains very bullish, but as the market has not made much
adway of late some of the traders are waivering and occasionally
quidating sales take place, which have to be absorbed. In the mean-
me, however, we think the tendency is in the direction of an im-
oved statistical situation.

Primary receipts, while still much larger than last year, are
nsiderably lighter than last week, with comparisons today 1,178,000
versus 1,529,000 last week and 578,000 last year. Shipments are
nsiderably heavier, 987,000 bu compared with 590,000 a week ago, and
,000 a year ago. We think for the next nine months the same tend-
y will continue. Primary movement will be getting less and less
d shipments heavier until finally we shall make great inroads in
r visible supply, and this in itself will compel the taking out of
dges, all of which will be a strengthening factor in the more dis-
nt future. Stocks at Kansas City, Duluth and Minneapolis so far
s week show an increase of 1,296,000 bu.

Canadian marketings are still very heavy --3,132,000 bu com-
red with only 716,000 last year; but as the Winnipeg market has de-
ined to within a few cents from the guaranteed price, and as such a
rge share of the crop has already moved, we doubt whether these
rmers' heavy receipts will continue for any length of time. In the
ntime, however, this weakening of futures at Winnipeg had a decided-
depressing effect at times on sentiment here.

The long-continued drought in the Southwest has finally been
ken, there being very generous rains over all the wheat belt. This
ht dissipate all fears that the intended acreage cannot be planted.

There were some further sales of wheat from here to Texas,
engthening the September future, which sold at a premium over the
ember. The fact that wheat this early in the season can be sold
such far-away points was construed as very bullish.

At the close our wheat market showed a decline of 1/4¢ per bu.

Corn receipts remain light --primaries being 303,000 bu com-
ed with 502,000 a year ago. However, Chicago is getting a larger
re. Premiums again were about the same as yesterday --1 1/2¢ over
September future being paid for #2 yellow corn.

The open interest in September corn was reduced yesterday by
,000 bu, but is still 3,271,000 bu, with only three more business
s left, outside of today, to even up contracts. There have been
deliveries so far this month, and it is not likely that any corn
in elevators will be delivered, although it is possible that the
t day or so there might be track deliveries.

Oats fluctuated but little, and rye showed weakness, closing
er. Interest in those cereals is very negligible at the present
e.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO, September 27, 1935

Argentine and Australian shipments this week are extremely light, 90,000 bu compared with 6,674,000 last year, or a difference of 84,000 bu. We believe this will not be just an exceptional temporary urrence. Taking into consideration the light stocks from last year's p and further discounting the poor crop prospects in the Argentine, well as the moderate ones in Australia, it seems likely that for the t fifteen months there will be a tremendous difference between clear- es from the Southern Hemisphere last year and the coming season.

Of course, this is as well known in Europe as here, and therefore indifference of English buyers in a country which takes about 40 cent of all the importations of foreign wheat, is rather surprising. Liverpool market closed only 1/8 to 1/2¢ a bushel higher, despite fact that the possibility of a war is not yet excluded, although arently for the time being fears of a conflagration are not important tors in shaping values. Possibly foreigners were very much impressed h the great weakness which prevailed in Canada of late, and the de- ne in her futures from the high point has been quite considerable. s, however, can easily be explained, and does not necessarily prove t her wheat will be on a bargain counter later on. Farmers' market- s from August 1 to September 25 were a trifle over 80 million bu, ording to official reports; so by this time they should easily amount over 90 million bu, which for the short time is quite a percentage the total marketings which we expect this season. Inasmuch as about million bu of the crop are used in the interior for human and animal sumption, as well as for seed, it would leave only about 140 million of farmers' deliveries for the remaining ten months. Thus we assume chief pressure is over and that from now on hedging sales will grad- ly be on a much reduced scale, until finally the daily sales for ex- t will exceed new arrivals.

The weather in the Argentine continues to be dry, but the mid-day le was extremely weak and a decline of 2¢ a bushel without any ex- nation might indicate that weather conditions are such that rains probable. In view of the fact that the acreage standing has been much reduced and some damage already done on the balance, in any case look for a very poor crop there.

Our own market opened higher. It gained a great deal during the y part of the session. Part of the advance, however, was lost be- the close when the weak Argentine quotations on futures were re- ved. It takes little encouragement at the moment for new buyers to r the market, in view of the strong domestic situation. While it lways very encouraging to obtain further help through firmness oad, we might have strong markets even should the world situation be what disappointing.

Primary receipts show considerable falling off compared with last , but are still larger than last year: 1,369,000 bu at terminal mar- against 2,146,000 last week and 489,000 in 1934. The only points h still show up big are Minneapolis and Duluth, but with the light ng wheat crop this is not likely to last very long. The movement he Southwest has passed its peak for a long time and after the turn he year, and possibly much before, receipts are apt to dwindle to small proportions. Stocks at Minneapolis, Kansas City and Duluth an increase so far this week of 1,667,000 bu, indicating a moderate ease in the visible supply on Monday.

Prices at the close showed an advance of 1/8¢ per bushel for mber wheat compared with yesterday.

The anticipated frost in Iowa materialized, but it is generally med the crop was far enough advanced so that not much damage has done, particularly not to the quantity, although the quality of late corn might suffer. The enthusiasm which prevailed yesterday not continue and all futures sold lower. Primary receipts continue light, 287,000 bu versus 406,000 last year. Chicago is getting than its share and no doubt a moderate movement has set in to this ot to fill September contracts.

The open interest last night was 2,674,000 bu, having been reduced 000 bu during the day. There have been no deliveries, but it is not kely that there will be track deliveries Monday, if not tomorrow.

No. 2 yellow corn, which about a week ago sold from 5 to 5 1/2¢ the September future, is now obtainable at about 1¢ over.

Oats fluctuated but very little; and rye declined somewhat with very few realizing sales.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO Sept. 28, 1935.

After a rather weak opening in Liverpool, prices rallied to an
changed close. This came about in spite of a very sharp break in
e Argentine yesterday, and we believe as time goes on there will
general recognition that world's conditions have materially changed
the past year.

According to the Department of Agriculture, this year's world
eat supplies will be about 330 million bu less than in 1934-35.
e short crop will reduce the world carryover by the end of this sea-
n to a figure between 400 and 500 million bu, which is about in
ne with a normal world carryover prior to 1928. Should this be ac-
mplished, we may safely say that the burdensome supplies which were
eated by various governmental regulations in so many countries,
ll have been corrected by nature, as the drought of the past few
ars has had its effect both in northern and southern hemisphere
ike.

Our own situation is outstanding because with prospective crop
tturn in addition to old supplies placed at 747 million bu, there
uld remain a carryover of only 125 million bu on July 1st assuming
at we neither import nor export any grain; and also on the basis
at our home demands would be of normal proportions.

In our opinion it is more than likely that we will grind a great-
amount of wheat to produce the same amount of flour, due to the
ct that so much of the spring wheat is of low test weight, and con-
quently will not produce as heavily as when the quality is higher.

The Department of Agriculture predicts that the United States
ll need about 35 million bu of high-contentprotein wheat, in ad-
tion to this year's spring wheat crop, to make up the deficiency
used by rust damage. Therefore it is our opinion that a high level
prices will be needed all season in order to attract imports from
nada.

As far as the Canadian situation is concerned, shipments since
eir crop moved averaged only 3 million bu per week, and this is
tirely insufficient if they are going to reduce their supplies ap-
eciably before another crop. The fact, however, that the Argentine
ospects are so poor would tend to indicate that Canada will come
for a larger share of business whenever the European demand be-
mes more important. There were a few rains reported in the
gentine, but the main wheat territories have been practically unre-
eved for three months now, and therefore, the situation is becoming
re acute.

Of the total wheat supplies in the principal surplus countries
ailable for export or carryover, there appears to be only 625 mil-
on bu, of which 390 million bu is held in Canada; and therefore the
ter nation has a great opportunity of relieving a situation, which
rough piling up of stocks has menaced their price structure for
veral seasons. With no competition from the United States, but
her imports likely, we feel that Canadian prices should also work
gher after the present pressure from country marketing subsides.

Primary receipts were again large today --1,501,000 bu compared
h 584,000 last year. The showing for the week was just as strik-
, with a total of 9,451,000 bu, while in 1934 receipts amounted
only 3,625,000 bu. This explains in some measure what the market
had to absorb, but we believe that the heavier movement which was
rgely due to high premiums is all at the expense of curtailment
er on. Stocks at Kansas City, Duluth and Minneapolis so far this
ek show an increase of 1,681,000 bu; a moderate increase in the
sible supply is expected on Monday.

Frosts in the corn belt were rather general, but the season being
te well advanced this was not much of a market factor. Possibly
e damage to quality will be sustained, but in other cases where
wth is stopped it might finally prove beneficial. September corn
somewhat lower influenced by the combination of lower premiums,
e carlot arrivals and a general tendency on part of longs to liqui-
e contracts.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO

Sept. 30, 1935

World shipments continue to be extremely small --8,125,000 bu
pared with 11,314,000 bu last year. It was hardly expected that
importing world could get along with such small purchases from
road. So far since July 1 world exports of breadstuffs were about
1/2 million bu less than in 1934, although Broomhall estimated
t the requirements would be practically the same, possibly even
ittle more. He also has not changed his figures and probably he
l be right as the smaller purchases were made possible at the ex-
se of previously accumulated stocks which are running down con-
erably.

The amount on passage alone is 7 1/2 million bu less than in
allel week last season, and stocks at Liverpool have been reduced
720,000 bu against 5,472,000 at this time in 1934. If ever this
y conservative policy on part of foreign millers and consumers
uld change, the additional requirements on a large scale could
y be supplied by Canada. That country this week furnished almost
e-half of the total, and from now on we expect that Canada will
ar at least fifty per cent of all wheat exports; in other words,
much as all the other countries together.

With the further confirmation by the United States Department of
iculture that by the end of the year world supplies of wheat will
reduced by about 300 million bu, following a previous reduction of
ut the same amount the past season, trade in general has already
usted itself to the thought of a complete change in supplies; and
far as speculation is concerned, it has taken cognizance of it.
ever, no actual pinch has yet been felt as the carried-over stocks
e still of considerable size and farmers' deliveries very heavy
account of the advanced price and the high premiums. This, however,
do not believe will continue.

Primary receipts from July 1st up to date were about 117 million
Assuming that the precentage received at primary markets will be
ut the same as in other years, we do not expect more than 100
lion bu more wheat for the remaining nine months to be received
terminal points. This would be considerably less for this period
n we have received so far in three months and would finally mean
at reduction in visible stocks, compelling the taking out of hedges
creating a very sound foundation for further advances in futures.

The Liverpool market was very strong today, futures advancing
/8 to 1 3/4¢ per bu. The strongest market was again for the near-
one, viz., October, indicating a moderate scarcity at the moment.

It seems the rains in the Argentine were entirely insufficient
Buenos Aires also advanced over 3¢ per bu. It will require con-
ued precipitation in the Argentine to produce even a moderate size
p. Anything above that seems to be excluded with the largely re-
ed acreage. Renewed war scares may possibly have been a stimula-
g influence today, although same were almost entirely confined to
Colonial Expedition on part of Italy into Ethiopia and nobody
icipates a European war --at least not in the early stages. The
ors went so far as to state that Italian troops have crossed the
iopian frontier, but confirmation was lacking. The situation,
ever, remains very strained in that part of Africa.
Our market received great encouragement from these various items,
the hedging sales are still too heavy to permit a sustained up-
d movement. However, there is some falling-off compared with
t week --total primary receipts being 2 million bu vs. 2,477,000
a week ago and 1,114,000 a year ago.

There is not as much heard about the good milling demand at the
ent, but there are sufficient purchases on part of consumers to

(OVER)

prevent premiums declining and cash wheat at Southwestern markets are still selling at very satisfactory prices and considerably higher than the futures.

Heavy importations from Canada are continuing and total imports for consumption from July 1 to September 21 are 4,922,000 bu and further importations of Canadian wheat for bonded mills in the same period are 2,181,000 bu.

The visible supply showed another large increase.--4,083,000 bu while last year there was a decrease of 669,000 bu. The total, however, is still 39,000,000 bu less than same week a year ago.

At the close the wheat market showed an advance for the active future of 1 1/4¢ per bu compared with last Saturday, the September advancing considerably more.

Interest in corn was centered largely in evening up September contracts; and fluctuations in same were very frequent. Until the last moment traders were uncertain as to whether there would be sufficient corn here available for delivery to fill all contracts. The amount of all kind of corn in Chicago is only 437,000 bu, and only a small percentage of that is in public elevators. New arrivals were 286 cars, and therefore it is quite likely that there will be track deliveries particularly as premiums have practically disappeared.

Final quotations were 84 1/2 to 85¢ per bu, and we believe that shorts all had an opportunity to cover their commitments without undue penalty. The more-distant futures were rather neglected and somewhat lower.

Weather continues to be highly favorable; and in all probability the next private, as well as government estimates, will be raised considerably.

Oats were weak and lower; and rye closed higher.

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CHICAGO October 1st, 1935.

The great strength at Buenos Aires yesterday afternoon after r session had closed, and much higher quotations reported from verpool this morning gave a new incentive to traders here to play e constructive side of the wheat market. The further fact that ptember wheat yesterday in practically all important markets in is country closed at a premium over December was more or less of indication of the scarcity of cash wheat and of the desire on part elevator concerns to merchandise theirs rather than to deliver it contracts with the risk that it could not profitably be replaced, ovided the owners of warehouse receipts would ship it out.

The whole market seems to be one of the most natural ones we ve ever seen. It is based on a prospective moderate scarcity of sirable milling wheat throughout practically the entire world with e exception of Canada. However, the statistical position even in at country is greatly improved. The wheat crop in the three airie Provinces is estimated to be 272 million bu. Deducting for ed, feed and interior requirements 50 million bu, it would leave tal farmers' marketings for terminal points of 222 million bu. far up to date farmers' deliveries have been about 95 million bu, aving only 127 million bu to be marketed for the next ten months, the Canadian crop year starts on Augustlst.

Of course we are not forgetting that there was a carryover of out 214 million bu, but the point is that this wheat has been taken re of by Government agencies. The new pressure will be light from w on; and with all importing nations dependent more or less upon is Canadian wheat there should be no trouble in disposing of it adually at very satisfactory prices.

The drought in the Argentine continues, but the latest advice om Buenos Aires indicates that showers are probable. However, if e precipitation is confined to showers only and does not develop to heavy rains with a great amount of moisture, it will not be portant. According to our reports, what is needed are heavy downurs during the whole month of October to make up for the great ficiency.

The final figures at Liverpool showed an advance of 1 1/4 to 1/2¢ per bu over the previous day's close. The October wheat ached the dollar level there. March wheat is still selling at a scount of almost 10¢ per bu, closing at 90 1/4¢. It appears to to be the cheapest wheat in all markets.

We see no reason why supplies should be any more plentiful road next March than they are now. Certainly it will be more fficult to purchase wheat from Canada with their futures selling big premiums; the Southern Hemisphere will not be able to offer y cheap wheat; and in the past our experience with Russia has been at heaviest shipments are made at this period of the season and t during the second half of their crop year.

Our primary receipts show about the same tendency as heretore --larger than last year but smaller than last week. Today they ounted to 1,213,000 bu versus 1,571,000 the previous week, and 3,000 a year ago. Our private reports indicate that everywhere the Northwest and Southwest a large percentage of the receipts me not from the usual quarters but are drawn from a much larger rcle, particularly from the Pacific coast. As far as the actual vement of the Southwest is concerned, especially Kansas and braska, there is a great dropping-off.

There never was any weakness during the session, the close owing an advance of 2 3/4 to 3 1/2¢ per bu compared with yesterday, the eatest strength being in the December future.

For the first time transactions took place in the July devery, same selling at about 9 1/2¢ under the May; this difference about what we would have expected.

As a normal proposition, we naturally would assume that next ar's crop will turn out to be much better than the exceptionally ort ones for the past few years. In that case, July wheat would ll at a considerable discount under the May future. However, ould the exceptional occur, and another short crop follow, then of urse there would be no reason for such a big discount. Therefore ch will depend upon the final outcome of the crops.

Cash corn was cheaper today after the September contracts were ened up, but the futures were higher almost entirely in sympathy th wheat. It is assumed that private crop experts tomorrow will ise the estimate on the probable crop yields. Oats acted very differently, but rye was considerably higher.

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CHICAGO October 2nd, 1935.

On August 30th December wheat closed at 88 3/4¢; therefore it
.ned about 18¢ a bushel in a little more than one month. Several of
foreign markets showed even greater advances during that period.
is not difficult to find the reason for this enthusiasm in the
.ief of greater value of our major cereal. While there had been
at reductions in the size of the crops in the Northern Hemisphere,
'act which was known at that time, during this period there was fur-
r deterioration in the Southern Hemisphere, particularly in
gentina. We are now confronted with one of the very smallest
'ld crops harvested during the last twelve or thirteen years. In
ition to the foregoing, it has been thoroughly recognized that the
densome stocks carried for years in almost every country have been
dually reduced to more moderate proportions. We are finally faced
h the fact that world supplies are no longer in excess of demand
that this year we can easily consume what was raised, leaving only
mall carryover for contingencies before the next crop is brought
market.

There is no question that the advance in values, while justified
our opinion, would not have been quite as rapid as it was had there
been fears of possible warfare in Europe. Such a condition is
ays a great incentive for investment in commodities. The war-scare
rs became stronger today when it was reported that the Italians had
ssed the frontier and advanced into the Ethiopian territory.

Great probabilities still exist that war operations will be con-
ed to an expedition into Ethiopia by Italy, but we believe there
l be no European conflagration. Should this be the case, in a very
rt while wheat would again sell on its own merits. We do not be-
ve the extra consumption of wheat from an Italian expedition alone
ld amount to much. However as long as uncertainties still exist
culation will be active, as it was today. Whoever makes prophecies
to draw a great distinction between temporary hysterical markets
the final outcome.

Liverpool futures advanced 1 7/8 to 2 3/8¢ per bu; Argentine
considerably stronger in spite of the fact that there were very
eral rains. Ordinarily precipitation there would have been very de-
ssing inasmuch as the drought condition, particularly in the pro-
ce of Buenos Aires, was one of the great sustaining factors in our
ket lately.

The domestic situation here remains unchanged. There is as yet
sign of a heavy decreased movement; and primary receipts amounted
1,270,000 bu compared with 1,355,000 last week, and 705,000 a year
. Stocks at Kansas City, Duluth and Minneapolis so far this week
w an increase of 1,620,000 bu.

Private crop experts came out with new estimates on yields, but
they differed but very little from the last Government figures they
e no factor in the market. We believe that the late advances have
counted a great deal of the inherently strong statistical wheat
uation. This in spite of the fact that the milling demand keeps
for the present, and that cash premiums are as strong as ever.
ever, on the other hand, the actual price of wheat which has to be
d by the miller, plus the 30¢ processing tax, makes flour higher
the consumer than in 1929; and no doubt there will graudally be some
tailment in consumption and some substitutes will be used. With
y wheat selling fully 10¢ per bu under the May future, millers,
ers, elevator men nor anybody connected with the wheat trade, will
h to carry wheat over into the new crop. Finally of course much
l depend upon the new crop outlook, which will determine the price
er the turn of the year. Should it be extremely favorable stocks
ld be reduced to an absolute minimum in anticipation of lower prices
1936.

In other words, after such a sharp advance with no short interest
speak of, great caution is advisable. Many things might happen to
nge the trend, at least temporarily, either a more peaceful outlook
the political situation or further rains in South America.

During the session in several of the outside markets, such as
neapolis and Kansas City, the limit was reached, advances being
ited to 5¢ per bushel in one day. Our market at the close showed
ain for the day of fully 4¢ per bu.

Corn, oats and rye all advanced in sympathy with wheat, there
ng no other special news to affect these cereals except the issuance
private experts' figures on the estimated yields, but these were
her than the last Government report, and ordinarily would have been
sidered more bearish than bullish. No doubt corn, oats and rye will
pathetically advance of decline with the sister cereal.

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October 3, 1935.

Actual wheat news was rather mixed today. General reports from Europe were more bearish, but the domestic situation is getting stronger all the time.

Estimated shipments from Argentina this week are 3,370,000 bu, almost three times as large as last week, but still about 1 million bu less than the parallel week in 1934. Russia and other Black sea ports cleared 2,280,000 bu versus 376,000 bu last season. The contribution from Russia alone was 2 million bu, and is a reminder of what that mysterious country might be able to furnish when prices are tempting. These are the largest clearances from Russia in a long while and from all reports they are still offering reasonable quantities for sale.

The Australian outlook has improved of late, owing to last week's rains and the drought in the Argentine has finally been broken. Nevertheless while some improvement will undoubtedly occur, at best, with the reduced acreage, the crop will remain small. Liverpool cables as a consequence did not quite follow our yesterday's advance, yet closed 1 3/8 to 1 7/8¢ higher. Buenos Aires also added a few cents to its yesterday's advanced price, but this was lost during our session.

Our inference from these various reports is that the war scare has been one of the largest influences on prices in Europe recently. That great anxiety and nervousness exists abroad is confirmed by the enormous gold shipments to this country and the weakness in their securities. Today extreme quietness prevailed politically compared with the excitement of yesterday. The speech of Mussolini then was certainly very aggressive and the rumors of actual hostilities between Ethiopia and Italy have not been confirmed, except that it was claimed that Italian airplanes had bombed some towns in an attack and destroyed many houses and caused other casualties. No actual war has as yet been declared between these two countries, although all indications point to a more spirited conflict before long.

As far as the grain markets are concerned, we do not think that after the first shots have been fired they will be affected much, provided the war can be localized, which is a great probability. In former years, before 1914, any war scare boosted our wheat market very rapidly, because there was always the fear of the Dardanelles being losed, and at that time Russia was either the largest or second largest exporter. In the war of 1914 the difficulties of transportation added a great deal to the enhancement of values and during the atter part of the war about 10 per cent of all cargoes were destroyed y submarines. Nothing of this kind, of course, is likely to occur; even should there be a war between England and Italy traffic on the Atlantic ocean would not be in much danger. There is always some decrease in acreages in countries where fighting is going on, on account of reduced man power to till the fields. For the present we still believe it would be good reasoning to judge the value of wheat later on without paying too much attention to war possibilities, although they must never be overlooked, should the unexpected happen. Also in the meantime it adds a sentimental value owing to this possibility of war, and of course short selling will be scarcer than ever. More justification for taking the constructive side is offered in the strong domestic situation. Millers have been heavy buyers today, preventing sharp declines, which otherwise might have taken place owing to heavy realizing sales.

Primary receipts show a falling-off, being 1,080,000 bushels against 1,178,000 last week and 508,000 last year. Premiums are well maintained everywhere.

Importations of Canadian wheat continue almost daily on a moderate scale, and prices for same are very expensive for the American consumer. Based on present futures at Winnipeg, choice wheat easily brings $1.00 CIF Buffalo, or more, to which has to be added 42¢ per bushel duty and 30¢ per bushel processing tax, making the total cost f a barrel of flour very high. For interior mills rail freight as to be added besides. So far this week stocks at Kansas City, Duluth and Minneapolis show an increase of 2,031,000 bu. At the close our market showed a decline of 3/4¢ per bu. compared with yeserday's final figure.

The corn market had a much weaker undertone despite the fact that eavy frost is predicted in many parts of the corn belt. Nobody exects that much harm can be done any more. Oats remained steady. ye showed a very firm undertone, not being influenced at all by the ecline in the other cereals.

UHLMANN GRAIN CO.

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CHICAGO October 4, 1935.

Without any declaration of war the first shots between the Italian and Ethiopian troups have been fired. As usual after such an event occurs, which had been anticipated for a long time, the hysteria is over, calmer judgment prevails and in consequence foreign markets ignored this actuality as a market factor as far as wheat was concerned. From the foreign point of view the statistical situation has improved for the buyer. Australian shipments this week are heavy at 1,936,000 bu versus 1,711,000 last year. It was already known yesterday that both Argentine and Black sea ports have liberal clearances, so with a probability of much heavier shipments from North America, world's importations will probably be the best Monday since the start of the season, August 1. In addition, it is assumed that with the breaking of the drought in Buenos Aires, Argentine crop prospects will show some improvement from now on.

It is quite true that world wheat conditions have permanently changed. At one time there was a promise of a great over-abundance which gradually changed to fears of a possible scarcity. However this had been partly or wholly discounted by an advance in price of about 30¢ per bu in all markets; namely, Liverpool, Rotterdam, Winnipeg, Buenos Aires and Chicago. A reaction abroad this morning therefore was neither unnatural nor unexpected. The decline was quite severe, Liverpool futures closing 1 7/8 to 3¢ per bushel lower.

No such demoralization existed here, nor would it have been justified. We must bear in mind all the time that we have a strong domestic foundation based on the fact that probably every bushel of quality wheat available this year will be needed, with very little left over. The only salvation for the consumer is in the probability of large importations from Canada; otherwise nothing would prevent extremely high prices. Such transactions we think took place again today on a very large scale. It was reported that millers bought Winnipeg nearby futures quite heavily, expecting to take delivery and ship the wheat into the spring wheat territory. Inasmuch as there is a difference in the price level of about 30¢ per bushel between the two markets: namely, Winnipeg October wheat and Minneapolis December wheat, and as there are big premiums existing for choice wheat in the latter market, it can easily be seen that the volume of these importations might finally be very large, in spite of a duty of 42¢ per bushel.

In case the fighting between Italy and Ethiopia is confined o African territory and fears of a possible European war subside, we elieve that from now on more attention will be paid again to supply nd demand. It will be assumed that Italy will not be in a position o conduct a successful war for a prolonged period. Her financial resources are very limited; she produces neither coal nor iron, and has o purchase every gallon of oil needed for her airplanes; she is also dependent for cotton upon other countries. Her credit abroad is so oor that Italian bonds are selling on a basis which earn considerably ver 10 per cent interest. She may win many battles just as Germany id, but before very long she may be compelled to make peace on terms hich might not be a victory as far as results are concerned. Inasmuch s peace is the next step after a war, this is likely to be discounted s soon as events drift in such a way that its early consequence may e anticipated.

The milling demand during the last few days must have been remendous and the aggressive buying of cash wheat brought about a reuction in hedges in the nearby future, which kept comparatively trong.

Primary receipts were 1,094,000 bu compared with 1,369,000 last eek and only 435,000 last year. Stocks at Kansas City, Duluth and inneapolis show an increase for the week of 2,287,000 bu. At the lose the market showed an advance of 1/4¢ per bu for the December uture and a decline of 1/2¢ per bu on the May.

The corn market acted independently strong, receipts are still xtremely light, and buyers are eager to purchase daily arrivals as ast as they are offered. Provided weather permits, we look for an arly movement of the new crop, but it may take until January before e can have reasonable accumulations as many holes have to be filled. he final figures in corn showed an advance of 1/2 to 1¢ per bu on he various futures.

Trade in oats was uninteresting, with small fluctuations.

Rye closed a trifle lower.

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CHICAGO MERCHANTILE EX.

CHICAGO October 5,1935

Liverpool regained a part of its yesterday's loss, and this was strued as helpful since our market depends somewhat upon prices road, in view of the fact that we shall import some Canadian wheat m time to time to mix in with our low grade spring wheat crop.

It is interesting to note what has occurred in Liverpool since 3rd of September of this year. At that time their October wheat s selling at 83 cents and March wheat, which was ruling at a slight scount, had closed at 80 3/8 cents. Today October wheat has adnced to $1.02, while March wheat,not sharing in the full advance, is lling at only 92 cents. Therefore, while Liverpool October wheat s gained about 19 cents per bushel, practically the same as every er market in the world, March wheat over there has advanced less n 12 cents per bushel; but this situation we do not think will last. parently foreigners realize the necessity of paying large premiums r present supplies, but they have not yet made up their minds that the e will be necessary as time goes on. The fact of the matter is that gentina, which country generally furnishes them with a good percente of their needs, will be a great disappointment due to the crop faile which has befallen that country. Recent reports claim that the last ins did not do as much good as had been expected, probably due to the t that they came so late in the season. Argentine shipments since uary 1st were in excess of 130 million bushels. As they cannot hope equal that by anywhere near that figure, it shows what might finally ppen to March wheat in Liverpool.

Of course we have our own domestic situation this year, which is very strong one. Inasmuch as receipts in the winter wheat belt are clining, and as the peak movement even in the spring wheat territory s passed its zenith, it is well to compare stocks at various imrtant points this year with those of last year:

	1935	1934
Duluth	5,567,000	12,265,000
Minneapolis	9,308,000	14,858,000
Buffalo	6,568,000	8,223,000
Kansas City	16,194,000	27,523,000
Omaha	5,002,000	9,821,000
St Louis	3,078,000	7,737,000

om the above it will be seen that stocks in all these markets are low this season than the previous one. There is one exception, however, ely, Chicago, where last Monday there were 10,048,000 bu compared th 7,962,000 bu parallel week in 1934; but even here, despite the great stocks, cash wheat is bringing a premium over the nearest future, and at again is selling at a premium over May, showing how tightly cash eat is being held.

Primary receipts today were 1,064,000 bu or more than double last r when they amounted to 473,000 bu. Stocks at Kansas City, Duluth l Minneapolis all increased, the total amounting to 2,501,000 bu, incating a fairly good increase in the visible supply on Monday. Hower, after another three or four weeks this situation will change, ich means that finally Hedges will be taken out of the market instead added.

Today's advance was very rapid, and the return of speculative thusiasm shows how important this is to sometimes bring about what ht take longer when markets depend entirely upon actual demand. ever, the closing quotations were about 1¢ under the best prices of day. For the time being, we think that some caution is necessary, ause if we get too much ahead of Winnipeg, importations might be ely on a larger scale.

Corn was influenced by the great strength in wheat, and also the t that cash corn is bringing a tremendous premium over the December ure which amounted to about 25¢ per bushel. This situation may conue until the new crop is brought to market and then it might change y quickly. Therefore, with short covering rather extensive, we cernly would not follow the advances in this cereal.

Oats and rye were also helped by the strength of wheat and would bably also hesitate if general reactions occur.

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CHICAGO Oct. 7, 1935.

Liverpool cables were quite weak before our session opened. That market had declined despite the advance in the Winnipeg and Chicago markets on Saturday. Every succeeding cable came lower until finally futures at Liverpool declined from 1 to 1 1/2¢ per bu.

There were quite a few plausible reasons given for this weakness abroad. World shipments had been the largest for one week in several months, amounting to 12 million bu. This, however, should not necessarily have been construed as very bearish, as virtually the same amount was received last year; and furthermore this quantity should not be burdensome, as it hardly covers more than the ordinary requirements. Nevertheless the amount on passage increased again and is now 26 million bu compared with almost 34 million bu last year. Consequently millers are in a position to be a trifle more independent for their immediate requirements. Of more effect possibly was a report by the United States Department of Commerce indicating a decidedly improved outlook in Australia, with yields nearly equal to those of last year. There were no further reports from Argentina, but the advance in prices had been largely due to the assumption that their crop will be a short one, and the question necessarily arises whether this condition has not been reasonably discounted.

Despite our very strong domestic situation, we are nevertheless very much influenced by world prices. Being on an importing basis for Canadian wheat any decline in that market has its immediate repercussion in the spring wheat markets, which in turn affects every other domestic market competing for sales of flour all over the American territory.

We also received no help from the war situation. The conflict between Italy and Ethiopia continues, with military successes by Italy, but the effect on wheat would only be important provided other nations would be drawn into a general war. At the present time such a contingency seems improbable, but once a war is started by any European power, with all the conflicting interests existing, particularly in Africa, uncertainties will continue to exist until further developments point to an early peace between the two countries at war.

Under these circumstances recession in prices here was quite natural, particularly in view of the fact that there is no appreciable short interest at the present time. The open interest has reached a new high figure of late: namely, 117,868,000 bu. Liquidation for any cause whatsoever therefore is bound to have more than ordinary effect, and new buyers will have to be attracted. So far they have appeared right along, as the feeling still exists that the scarcity of choice wheat in the United States this year is so pronounced that finally it will overshadow everything else. New buyers will have to continue to be in evidence until finally demand overtakes current supplies. At the present time stocks continue to pile up, primary receipts being 1,726,000 bu with shipments only 621,000 bu. However, the movement is decreasing somewhat, last week's receipts having been 2 million bu. The visible supply showed an increase of 1,797,000 bu, the total now being 75 million bu compared with about 110 million bu last year, or 35 million bu less. There are many who are still very much impressed with the strength in the near-by futures, which are selling in practically every market in the United States at a higher price than the deferred ones. In addition to that, good premiums are being paid for cash wheat over any future traded in on the various Exchanges in this country. At the close the market showed a decline of 3/4 to 1 1/4¢ per bu. compared with Saturday's final figure. For the present we do not care to assume an aggressive ullish position on domestic statistics alone, but would rather wait until the whole world situation also shows signs of improvement.

Corn continues to have a strong undertone. Considering the great weakness in wheat, it acted wonderfully well today. Old corn is still bringing fancy premiums and uncertainties will exists for a long time. Under normal atmospheric conditions, and with the tempting price, an early movement should start soon; but in the meantime there is no balance wheel, without any hedges to speak of. Stocks at all terminal points are extremely small, being only 3,318,000 bu compared with 58,740,000 last year.

Oats and rye were rather inactive with small declines.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
NEW YORK PRODUCE EXCHANGE
NEW YORK COCOA EXCHANGE
NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 6282
141 W. JACKSON BLVD.

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO October 8, 1935.

Liverpool wheat futures declined again today and are now selling at about 4 to 5¢ per bushel less than the top price on Oct. 3rd. This has occurred despite the fact that in the meantime war actually has started between Italy and Ethiopia and that stern measures are about to be taken by the League of Nations. Therefore we can come to only one conclusion: namely, it is assumed that the worst is now known about the European situation, and the possibility of an early peace is being discounted. Fears of a larger European conflagration are on the decline at the present time. In the meantime, crop prospects have improved greatly in Australia, where there will probably be a yield equal to last year's, which crop, however, was only a small one. There have been more rains in the worst drought districts in the Argentine - namely, at Cordoba. While probably the crop there had suffered so much already that improvement at best can be only moderate, nevertheless, Buenos Aires market declined a few cents from yesterday's figure.

Regardless of what might be the cause of this changed attitude on part of European millers and other buyers, it is impossible for us to go steaming ahead on the bull side until we receive more encouragement from abroad. Ever since it became known that the United States is strictly on a domestic basis, and in fact that almost a scarcity would exist on basis of normal consumption figuring on a reasonable carryover, we pointed out that nothing but heavy importations could prevent a very high price level. The European outlook was such that we felt Canadian wheat would not be on a bargain counter. It now appears as though farmers in that country, probably due to the very satisfactory prices, are very anxious sellers, and country deliveries during seven days, ending October 4th, were almost 19 million bu compared with 8 1/2 million bu last year. So far on this crop, from August 1st to October 4th, farmers' sales were 104,150,000 bu compared with 96,808,000 bu in the parallel period last year. During that time North America exported only a trifle over 25 million bu. It is therefore evident that unless the demand for that wheat would increase immediately to a large extent there would be unlimited quantities left for importations to the United States. This danger is existing because with the high premiums at which spring wheat is selling, the heavy duty of 42¢ per bu will not prevent millers from making importations on a profitable basis.

With Liverpool March wheat closing at 89 3/4¢, or about 13 1/2¢ per bu under our May, and actually 3¢ under our July wheat, (which is the new crop future, and by which time we ourselves might again be on an exporting basis) markets are somewhat out of normalcy.

Primary receipts are keeping up fairly large, being 1,112,000 bu compared with 477,600 last year. This movement is bound to decrease heavily before long, and the present heavy rate must be due to very tempting prices to the farmer. Total primary receipts since July which amount to over 125 million bu, are very large considering the size of the crop and compare with 95 million bu a year ago. During the last six months of 1934 the movement was also extremely small. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 871,000 bu.

At the present time we feel that with no short interest to speak of we need a new impetus to advance prices. And this, in order to be more effective, would have to come from abroad rather than from here, as everything influencing prices domestically is well known. The encouraging feature is that premiums are still holding up well, and cash wheat is not on the bargain counter in any market. However, wheat is a world article, and it is very seldom that any one country can have an independent set of prices, they usually all march together.

At the close the wheat market showed a decline for the day of 1 5/8 to 2 1/4¢ per bu.

The corn market declined sharply in sympathy with wheat. However it had troubles of its own. There were 144,000 bu of old corn worked to this market, indicating that whatever corn is left is available, and farmers evidently are anxious to dispose of the remnants of their crop. They, of course, figure that the new corn will come on the market before long. In fact one single car was received here today from Iowa, but for any movement in commercial quantity we think we shall have to wait another thirty days. Oats and rye were also lower, being affected by the decline in the other cereals.

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DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 9th, 1935.

Every wheat trader today was much interested in whether the
ownward trend in futures prices at Liverpool would continue or be
rrested, after a previous break in a short time of about 5¢ a bushel.
t was encouraging that Liverpool cables after reporting new low prices
early recovered during the session, closing quotations being unchanged
o 1/2¢ higher than yesterday. The advance took place in the March
heat, which is selling at a big discount under the nearby one, or
ash wheat, and seems entirely out of line with values in all other
arkets. Liverpool traders were largely influenced by yesterday's de-
line in Winnipeg and increased offerings from Russia and all other
xporters.

Here the open interest in wheat gradually increased to about
19 million bu, virtually 50 million bu from the low point. Many of
he plausible reasons which induced the public to make investments
n this cereal, with the hope of higher prices finally, are still
xistent, while some of them have undergone a change which must be
onsidered in all calculations. We ourselves have never figured a
reat deal on the final benefits which wheat prices would derive from
ar developments in Europe. But nevertheless during periods of hysteria
ar scares were a tremendous help at times. At the moment there is
decided decline in war fears. The fundamentals: namely, short
rops in all important exporting countries, are still the main sup-
ort to the market; but there is some modification as both Australian
nd Argentine prospects have improved somewhat. Furthermore as the
eason progresses there are slight indications that Russian exports
ight be larger than Broomhall's original estimate. One is never
uite sure just what that mysterious country will do in the way of
heat exports, particularly if the price becomes very tempting.

There is great disappointment in the smallness of actual ex-
orts up to date. Since August 1st Europe purchased 14 million bu
ess and ex-Europe 5 million bu less than in the preceding year. It
as also expected that at least before election every effort would be
ade to hold up the Canadian wheat prices, but of late Winnipeg mar-
ets evidenced great weakness, in consequence of which importations
o this country assumed quite sizable proportions. This in turn af-
ected our northwestern spring wheat markets where the wheat had to
e hedged; and in fact we attribute our late declines more to this
ause than to any other. Logically therefore it is important to watch
hether or not these operations will continue on a large scale. If
hey do, as Canada still has unlimited quantities of wheat for sale,
t puts a ceiling over our market. For this reason we are very care-
ul about making new engagements until the situation becomes clearer.

Primary receipts show the same tendency today as they have
ight along. They are getting smaller from week to week but are still
arger than last year, the comparison being 1,082,000 bu today,
,270,000 bu a week ago and 407,000 bu last year.

Cash premiums are holding firm but millers have supplied the
rade so liberally of late that at the moment the new demand for flour
s less urgent. Trade in general is so much imbued with the idea
hat no matter what happens very low prices are out of the question
ntil a new crop of wheat is raised that smaller declines do not bring
ggressive liquidation as is usually the case when these uncertainties
xist.

Stocks at Kansas City, Duluth and Minneapolis so far this week
how an increase of 1,114,000 bu, indicating a further increase in
he visible supply on Monday. However, we believe the turn is soon
t hand when supplies will overtake the demand, and we shall have
teady decreases until another harvest.

At the close our market was unchanged to 5/8¢ per bu lower
ompared with yesterday.

With Winnipeg again today showing no recuperative power what-
oever we assume that Canadian wheat will be offered more freely again
onight to Europe. We anticipate somewhat lower cables.

Corn offerings are on the increase for both the old and the new
rop. The premium which old corn is bringing --about 27¢ per bu over
he future-- is very attractive to those who still have some left.
eather permitting we look for a very free movement this season after
ov. 15th. There is less assurance at the moment that December corn
ill remain at a big premium over the May. Of course all will depend
pon the weather. With additional hedging sales, which we expect soon,
e look for a lowering in values.

Oats and rye were very much neglected and prices closed a
rifle lower.

UHLMANN GRAIN CO.

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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Oct. 10, 1935.

There was a complete reversal in the trend of the wheat mar-
t overnight. This was caused mainly by renewed war talk, although
me strength was derived in sympathy with the higher securities mar-
t and further fears of inflation in the more distant future.

The wheat news itself was an offset. The crops in the
uthern Hemisphere are still giving more or less worry. In Australia
e weather was rather unfavorable during the past week, with dryness
evailing in a wide area and continual showers are needed to maintain
e present prospect of a yield of about 120 million bu compared with
5 million last year. Precipitation in the Argentine during the
st week was not of such importance as we were led to believe, amount-
g to only a little over one-half inch, and while this was very wel-
me it does not give permanent relief. On the other hand Black sea
ipments were very heavy, 2,352,000 bu versus 256,000 bu the parallel
ek in 1934. If past experience is any criterion Russia is likely to
come a more important factor this year in supplying the needs of the
porting nations, provided the price level is satisfactory. It is
ported that shipments are keeping up and therefore a continuation
heavy clearances from the Black sea is almost assured for the im-
diate future. Argentine shipments are estimated to be only 2,130,000
against 4,280,000 last year. This, however, was anticipated in
ew of the very light stocks left over from last year's crop.

Inasmuch as the refusal of both Austria and Hungary to join
th the League of Nations to apply sanctions against Italy, many
ans of the other nations participating will have to be changed, thus
eating new uncertainties. While as a general rule traders are not
riously considering the probability of a European war, nevertheless
th Liverpool futures showing such great strength, they are willing
modify, even abdicate their own judgment. They assume Europeans
e better posted on account of being so much nearer the scene as to
at might happen, and therefore are willing to concede at least that
til more clarity is shown in the political situation, this most im-
rtant factor will have a decided influence on the trend of prices.

Liverpool futures at the close had shown an advance of 2 1/4
2 5/8¢ per bushel, which naturally gave us a very firm market early
gardless of what else might have happened, but at the close our
tures gained only 1/4 to 1¢ per bushel over yesterday.

This afternoon after the close of our session the government
ll give its estimate on the spring wheat yields this year. General-
on days when the government report comes out trade is extremely
ght, but this time no one expects any material change compared with
st month's estimate. Furthermore the other factors which we mention-
will be considered as much more important, so the prospective re-
rt was almost left out of calculations.

We still maintain that Canada will furnish the key to the
tuation. At the present time the statistical position is rather un-
tisfactory. As of October 4th, stocks at various points, excluding
ose in farmers' hands and in transit, are about 240 million bu
rsus 227 million last year, or about 13 million bu more. Farmers'
liveries are still very liberal, being 2,300,000 bu today against
736,000 a year ago; and despite greater importations to the United
ates their stocks are likely to increase for sometime. It cannot be
id that so far she has sold as much as was expected. The trend of
limited importations to the United States, provided our spring wheat
rkets should get out of line, puts a damper on too much enthusiasm
the bull side.

Primary receipts are still very fair, today being 939,000 bu
mpared with 1,080,000 last week, and 505,000 last year. Stocks at
nsas City, Duluth and Minneapolis so far this week show an increase
1,141,000 bu.

There was not much enthusiasm shown in corn, except when
eat sold at top prices corn futures sympathized in a moderate way.
wever, the remnant of the old corn which is still left in the country
being shipped as fast as possible now in order to take advantage of
e high premium still existing --about 27¢ per bushel over the
cember future. Nobody expects that this will last very long, how-
er, and the whole situation will change materially whenever new corn
mes to Chicago in commercial quantities.

Oats followed but little; and rye had a temporary advance
ring mid-session, which however was lost before the close.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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141 W. JACKSON BLVD.
CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

Oct. 11, 1935.

The Government report which was given to the trade yesterday
after close of the session brought no great surprise. Estimated
yield is a trifle more than the previous one, but the difference is
so negligible that it could not possibly be much of a market factor.
nalyzing the result, however, we find that the estimated crop of
599 million bu compared with 496 million bu last year, or 103 million
u more. The amount left on farms on October 1, is 257 million bu
compared with 230 million bu in 1934, or 27 million bu more. The
nference is that a very much larger percentage of the crop has been
oved this season than last.

On the face of it, a crop of 599 million bu is insufficient
or our normal consumption, but if we should import 40 or 50 million
u, then theoretically at least, this year's supply would be equal to
welve months' normal consumption. There might be a little deficiency
n the assumption that the quality of the spring wheat crop is such
hat it requires a larger quantity of bushels to make a barrel of
lour; but on the other hand there will be less desire to feed wheat
o animals with feed stuffs being so plentiful.

Looking at it from another point of view, a crop this season
f 103 million bu larger than last year, but with a carryover of 127
illion bu less, would give us a start at the beginning of the season
f 24 million bu less than on July 1, 1934. It again makes it quite
lear that we shall depend upon importations, or else the adjustment
etween supply and demand would be too close.

Stocks in farmers' hands look quite small by way of comparison
ith other years, viz., 231 million bu in 1934, one of the smallest
rops we ever had; 310 million bu in 1933 and 416 million bu in 1932.
e have the actual statistics of the primary movement in those years
rom October 1 to the following July as follows:

1934 - 69 million bu.
1933 - 112 " "
1932 - 162 " "

r an average of about 35 per cent of farmers' holdings from October
to the next July. On the same basis this year, our primary move-
ent ought to be reduced to 90 million bu, or for approximately 225
siness days, about 400,000 bu a day, which amount is considerably
ess than one-half of what it is now and which would be so small that
t would necessitate heavy drafts on our present accumulated stocks.

It is certainly quite plain from these figures that the great
per-abundance which has existed for many years is a matter of the
st. On the other hand, there is no such scarcity in sight as to
sume very fancy prices.

Foreign markets were considerably lower today, but we think
is was due more to a reaction from the excitement yesterday when war
ares were an important influence. Futures at Liverpool closed
3/8 to 1 1/2¢ lower.

The Canadian market was more affected than ours from the weak-
ss abroad, and we cannot repeat too often that in our opinion a
stained bull movement in this country is not likely unless Canada
so advances her prices. Otherwise importations will continually
crease and add to our burdens.

It is reported that last week duty was paid on 723,000 bu
nadian wheat, and since July 1, 6,275,000 bu have gone into home
nsumption. It will require continued salesmanship on part of the

(O V E R)

Canadian owners of wheat to reduce the large holdings to more sizable proportions.

Primary receipts show a moderate decline from last week, being 887,000 bu vs. 1,094,000; and stocks at Kansas City, Duluth and Minneapolis show an increase of 1,387,000 bu.

The milling demand at the present time is only fair, and while premiums on cash wheat remain steady, nevertheless the nearby future is in less demand now and December is losing gradually on the May. We believe, however, that unless the situation changes completely by the first of December that heavy deliveries are not likely to be made, and even if they are a market will be found by those who are willing to own the cash property.

At the close the market showed a decline of 1/8 to 5/8¢ per bu from yesterday's final figures.

The Government estimates the new corn crop to yield 2,213,000,000 bu compared with 1,377,000,000 bu last year, or 836,000,000 bu more. Farm reserves on October 1st were only 60 million bu versus 266 million same period a year ago. Therefore taking these two items together we would start with 630 million bu more than in 1934. However there is much less corn in other channels; in the visible supply there is a great deal less, also smaller quantities in processors' and consumers' hands, further reducing the discrepancy. Average stocks of corn on farms during the years 1932 to 1934, on October 1st, were 278 million bu; consequently it will require an extra 220 million bu to bring our stocks up to average.

The report, therefore, might have been construed a trifle bullish, but with the reduced number of animals, and with large quantities of other feedstuffs available, particularly oats, even the moderate supply of corn might finally prove to be too much for the market.

Final prices were moderately lower than yesterday.

This was also the case as far as oats and rye are concerned. Speculative sentiment at the present time is a little more two sided than it was.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
CHICAGO BOARD OF TRADE
W YORK PRODUCE EXCHANGE
EW YORK COCOA EXCHANGE
W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO Oct. 14, 1935.

It is not likely that Europe has forgotten any of the lessons or experiences which the World War taught to the fighting nations. Outside of winning battles on the field, next in importance was the supply of raw materials, particularly food. It is, therefore, to be assumed that if either foreign statesmen or the public at large would anticipate a likelihood of a serious conflagration, provisions would immediately be made for laying in large quantities of wheat, the staff of life, and this again would be shown in advancing prices for stocks already held. However, there are no signs whatsoever of any such actions. This week's world wheat shipments are again very small --9,862,000 bu compared with 11,622,000 bu last year, and the total world's grain exports from July 1 to date are 122,437,000 bu. versus 155,604,000 the same period in 1934, or 33,167,000 bu less. In addition, stocks on passage have been permitted to be reduced to 27,200,000 bu compared with 34,760,000 bu last season.

The further question arises in our mind whether Broomhall has not over-estimated the needs of both Europe and ex-Europe. He figured that the total takings would be approximately the same as in 1934, or about 540 million bu. Inasmuch as during the first twelve weeks the demand was so much less than expected, it would take almost a million bushels wheat extra per week from now on during this crop year to make up the present deficiency.

The greatest disappointment so far is Canada. This week's exports from that country were only 3,396,000 bu and total since July 1, about 40 million bu. According to all statistical information, Canada as of date October 4, had about 365 million bu of wheat left for export and carryover, after deducting her requirements for home consumption of about 110 million bu. This would compare with 340 million bu the same period last year. She, therefore, could export into the United States approximately 25 million bu from now on and yet have as much left for Europe as the previous season without reducing her carryover.

Farmers' deliveries in Canada during the week ending Oct.11 were almost 16 million bu, and therefore with the small exports mentioned during the past week, it is very plain that substantial accumulations continue to take place. This naturally brings about great pressure in that market, reacting in turn on our spring wheat markets, and having a general effect on both sentiment and prices all around.

Under these circumstances we cannot assume a bullish position until there is a radical change somewhere. While the United States is theoretically on a strictly domestic basis as far as its own raisings are concerned, the whole picture changes when it is considered that almost unlimited quantities of wheat could be imported from Canada.

Liverpool futures were very weak Saturday, when there was no session here, and declined still further today, naturally depressing our market. At the close our prices were about 2¢ per bu lower than at the close of our last session.

Primary receipts were very moderate considering they included Saturday when all markets were closed, as well as Sunday, total being 2,141,000 bu. The visible supply increased again 2,149,000 bu to 77,201,000 bu, which compares with 108,248,000 a year ago. The cash demand was somewhat poorer, which is usually the case in declining markets; premiums were slightly lower in the Southwest, but most likely they will improve again when markets steady.

The open interest is now the largest on this crop --120,745,000 bu; therefore if sentiment should change radically more liquidation could easily bring about still lower values.

Corn weather continues to be excellent. Receipts are a trifle larger than last week, showing that farmers are anxious to take advantage of the good premiums existing now, and sell whatever old corn they have left. The corn market was lower partly in sympathy with wheat.

Oats and rye also declined, and will continue to be much influenced by the sister cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

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Farmers' deliveries in Canada during the week ending Oct.11 were almost 16 million bu, and therefore with the small exports mentioned during the past week, it is very plain that substantial accumulations continue to take place. This naturally brings about great pressure in that market, reacting in turn on our spring wheat markets, and having a general effect on both sentiment and prices all around.

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UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
HICAGO BOARD OF TRADE
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MMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
TELEPHONE HARRISON 5282
141 W. JACKSON BLVD.
CHICAGO

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CHICAGO MERCHANTILE EX.

Oct. 15, 1935.

With LiverpoolDecember and March futures closing a trifle lower day, and our market showing a considerable advance, we do not be- eve that the fundamental soundness of our position has improved y. A little while ago when the crop prospects both in the gentine and Australia looked their worst, it could easily be figured t that the world's supply and demand situation was very delicately justed. In the meantime, however, crop prospects have greatly im- oved in Australia and very liberal precipitation in the Argentine ring the last few weeks has also improved their outlook considerably.

While recognizing this truth, we do not want to overlook the t that in spite of this the yields in the Southern Hemisphere will mpare very unfavorably with last and other previous years. The test estimates now give us expectations of an exportable surplus r the Southern Hemisphere of 160 to 165 million bu, which compares th this year's surplus of Argentina alone of 152 million bu. As a neral rule about 70 per cent of these crops are moved during the st six months of the year; but much depends upon the price, so the level should be very attractive, even a larger percentage could sold between January 1 and July 1, after which period their grain ll possibly come in competition with our new harvest and a little ter with Canada's next crop. Seventy per cent of the exportable rplus of say 160 million bu would be 112 million bu to be shipped ring 26 weeks, would give 4 1/2 million bu a week. If we add to is 2 million bu, which probably can be obtained by the importing tions from Russia, Balkan and sundry countries, it would make a tal of 6 1/2 million bu without North America. On the assumption at the total requirements of European and non-European countries uld not exceed 11 million bu, Canada would only have to furnish ekly 4 1/2 million bu, which would not be anywhere near enough to duce her very burdensome stocks to normalcy, even assuming that the ited States might take 50 million bu of their wheat.

At the present time it is more difficult than ever to make any ediction as to what steps Canada will take to solve her wheat prob- m. With the new election a change of policy is not unlikely as e voters have expressed themselves as being dissatisfied with the y the matter was handled before. In all probability the minimum ice which has been guaranteed to the farmer of 87 1/2¢, and which only 3¢ or so under the present price of the nearby futures, will t be changed, particularly as more than half of this year's wheat op has been disposed of by the farmer and it is not likely that he ll be antagonized. This, however, will not preclude the possibility at the large wheat stocks owned by the government agencies might pressed harder for sale; but this all remains a guess, because obably those in authority have no definite fixed ideas yet of what ey will do. Furthermore they will be guided more or less by con- itions and market values as time goes on.

In the meantime, however, we in the United States must be pre- red to absorb larger quantities of imported wheat as long as Canada nnot sell all of her surplus to others, and inasmuch as we are in e right along through the high premiums existing in the spring eat markets.

A stimulant in our domestic situation today was the working of a rgo of about 300,000 bu No.2 red wheat to Duluth. This is quite an traordinary transaction, and it is very seldom that any red wheat shipped to that market. It is to be presumed this wheat will ally land at Minneapolis where it is being mixed with the low test gh grade protein spring wheat.

(O V E R)

Chicago is not a market which can afford to lose much of its wheat, because from now on its receipts will be extremely small, territories tributary to it such as Illinois and Indiana having about disposed of their surplus. Today's receipts here were only 14 cars. This had the effect of strengthening our December future over the May it being assumed that if more or less demand should develop, the elevator concerns would be loath to make heavy deliveries for fear that the grain would be shipped out immediately and could not be replaced to good advantage. This naturally creates great uncertainties as to what the final differences will be between December and May wheat, and it is almost unpredictable because it will all depend on what the demand will be between now and the close of navigation. At the present time the demand for No. 2 red wheat to points which usually draw from Chicago is very limited, but nevertheless spot prices remain very high, there being great confidence that later on this particular kind of wheat, which is selling at lower premiums than either the hard or the spring wheat, will be more in demand.

Today's closing prices showed an advance of 1 to 1 3/4¢ per bu, over yesterday's. Until we see a change and receive more encouragement from Europe or fromCanada, we think rallies such as we had today will be only of a temporary nature.

Canadian marketings were again very heavy --2,371,000 bu, which probably means another accumulation of stocks during the week.

Primary receipts here were fair for a Tuesday, being 844,000 bu but it was encouraging that shipments were almost as much as that. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 178,000 bu. The open interest on the decline yesterday increased almost one million bu, and is now very close to 122 million bu, showing that confidence is still supreme and that traders in general still prefer to take the constructive side. This, however, makes the market very vulnerable should a change of sentiment take place.

Corn, oats and rye were all strong and higher; there being no particular pressure the advance in wheat prices had a sympathetic effect.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO October 16, 1935.

Had the wheat structure been on a sound foundation the great rength in the Liverpool market and the comparative firmness at enos Aires yesterday after our market had closed, should have given higher prices today. Liverpool lost part of its early gain, but t closed from 7/8 to 1 1/4¢ higher on the various futures. There re further rains reported in the Argentine, but these were entirely gnored abroad owing to the greater firmness in cash offerings on rt of many of the prominent exporting countries.

However, there had been a danger signal right along for those o kept their eyes open. Every succeeding future at Liverpool is lling at a discount below the preceding one: December is lower an October, March is selling at a discount under December and May cheaper than any future --about 9 1/2¢ under the nearby one. On e assumption that Liverpool grain traders who buy in every market the world, and who are thoroughly posted as to what is going on, herwise they could not exist, must have very good reasons for being lling to sell wheat so far ahead at such tremendous discounts. ere is only one answer: namely, that they see their way clear to tain supplies not only for the present but also for the future, at ncessions. Consequently buying only sparingly until the others are ady to come to their terms. Should this be the case, Canada will ve a hard time disposing of her burdensome surplus. Her shipments to date have been so much below expectations that the time must on come when she will make greater efforts to compete with others, else the new administration will have the same difficulties as the receding one.

Just to show how unreasonable it is to carry big surpluses rom one crop year to another, we want to take the hypothetical case at if Canada had disposed of her wheat last year, even at a sacrifice, would now have a situation where the whole world's price level uld have been immensely benefited.

The sharp decline today was a belated recognition of the comlete change in the outlook from the one which existed two weeks to a nth ago. At that time there was a great war scare on, but we now derstand that Lloyd's insurance at London can be had for about 20 r cent, that there will be no war between any of the two big powers Europe within a year. In other words, they think the chances are ive to one that there will be no great conflagration. In the meanime Argentine and Australian crop prospects have improved materially, d European importations from week to week have been disappointing. ile last year's purchases by European and non-European countries re almost the lowest in a decade, so far they have been even lower an in 1934. This in spite of the fact that stocks abroad had been avily reduced. In addition to this, importations of Canadian wheat to the United States have been on the increase right along; speculaon on the bull side has kept up as shown by the further increase in e open interest yesterday of almost 2 million bu, bringing it up 123,637,000 bu now compared with 68 million at the lowest point is season.

Another encouraging influence has disappeared; early continual ising premiums on cash wheat were very stimulating. Same are still eing maintained, but further advances have not taken place lately. erefore this incentive, which had given such great hopes to the bull, s gradually waning.

Primary receipts are also keeping up at a greater pace than s expected, being 1,024,000 bu, indicating that the farmer is the ly one who is not bullishly inclined, andis willing to accept prent values and dispose of his wheat faster than at almost any similar eriod in the past. He is probably influenced by the more favorable isture conditions, particularly in the Southwest, than for the past ree years, and naturally reasons that the nearer we come to the new rop, should prospects be propitious it will not pay to carry wheat to the next season.

Stocks at Kansas City, Duluth and Minneapolis so far this week how an increase of 537,000 bu. While this is not particularly large, t still appears as if the visible supply next week would show another ncrease.

At the close the wheat market showed a decline of 2 7/8 to 1/2¢ per bushel compared with yesterday's final figures.

(O V E R)

Corn held comparatively firm. This we think can be easily explained: a great many spreaders who had sold corn and purchased wheat were compelled to even up their trades. However, we hardly think if the wheat situation remains weak (and we expect a very weak cable tomorrow) that corn can maintain its present prices.

Oats and rye declined with the other cereals.

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Oct. 17, 1935.

The overnight news was rather encouraging for the wheat market.
ables showed comparative firmness considering the great weakness
esterday at both Winnipeg and here, and the war-talk in the news-
apers was again rather sensational. As we pointed out before,
nsurance premiums abroad clearly indicate that those who are willing
o bet their money and investigate the situation thoroughly, are no
reat believers of a war between two or more of the major European
ountries. Possibly this all may be forgotten by tomorrow, and may
o longer remain a factor.

Liverpool futures, however, were very strong, and we cannot lay
tress too often on the fact that their wheat is extraordinarily
heap, while prices both at Winnipeg and in our market might be too
igh. Liverpool May wheat closed at 90 3/8¢, and in order to justify
he price foreigners must figure on buying wheat from exporting coun-
ries for that much or less after paying freight and all other ex-
onses. In fact, if the wheat would have to come from the Argentine
r the United States, there would have to be taken into consideration
n additional duty of 6¢ per bushel. Considering that Winnipeg May
heat is selling at 94¢, it is apparent that either the foreign mar-
ets are too low or the Canadian market is too high. The natural
onsequence is a skirmishing for cheaper wheat on part of the European
onsumers, and under the circumstances it should be no great surprise
hat Russia and the Danubian provinces are furnishing larger quotas.
hipments from that source this week are 4,016,000 bu compared with
nly 144,000 bu last year. These are the largest weekly shipments
rom Russia since 1914 when the Dardanelles were closed, with the
xception of the years 1930 and 1931. During these two years Russia
as a heavy exporter, but it is not likely that her sales this year
ill be equally as great. By the middle of October then they had al-
eady shown through their heavy clearances, which were larger than
hose up to date, that they had immense quantities for sale.

Considering that Russian shipments last year were almost
egligible, whatever quantities of their wheat come to European mar-
ets this year will be a partial offset against the smaller supplies
rom the Southern Hemisphere; therefore will not enable Canada to
ontrol the situation as much as was thought earlier in the season.

In the meantime, reports from the Argentine of more rains and
nprovement in the crop outlook will result in further upward
stimates of their exportable surplus.

In this country confidence reigns supreme, and the open interest
as again increased slightly yesterday --about 420,000 bu, making the
otal 124,057,000 bu. Primary receipts are keeping up remarkably well,
ut there is very little doubt that it is all at the expense of lighter
eceipts later on; and the farmers are selling a proportionately
arger share of their crop now than they have done in most seasons.
rimary receipts today were 992,000 bu; even a little larger than
ast week when they were 936,000 bu, and compares with 517,000 parallel
eek in 1934.

There are indications all over this country that the price of
read is gradually being raised. This is quite natural in view of
he fact that not only is the price of wheat comparatively higher than
t was in recent years, but also that good premiums have to be paid
bove the futures, and in addition a 30¢ processing tax. Competition
o far has helped to keep the price down, at the expense of the
aker and the middle-man, but it seems inevitable that advances can-
ot be long delayed, and the question then will arise whether this

(OVER)

will have any effect on consumption. We all know that even at a trifle higher price-level, bread is still the cheapest human food; but this is a country where many people are wasteful when an article is cheap, and it is not so much a question of whether the actual consumption will be curtailed as it is whether more care will be used in utilizing bread and flour in a more economical way. Also in proportion as it took a long time to change the fixed price for a loaf of bread upward, so in turn there will be no inclination to reduce it again even if next year we should have better crops and a lower price for wheat.

At the close the wheat market showed an advance of 1 3/4¢ per b

We cannot take a bullish view until there are more signs that Canada is selling a larger share of her great surplus. If she does not, there will always be the danger, should the market advance, that importations might assume extraordinary proportions. Since July 1st up until last Tuesday, or practically 3 1/2 months, according to Bradstreet, North America shipped only 38 million bushels of wheat compared with 53 million the previous season when Canadian clearances had also been exceptionally light. Canada could easily spare six million bushels a week instead of the 3 million which has been cleare weekly so far.

The corn market showed weakness at times, but recovered very quickly. New corn is coming on the market in increasing quantities, but is not yet very burdensome. We doubt whether the movement will assume commercial proportions before the first of December, or in such volume so that the elevator men can start to fill their elevator Until that time, consumption probably will take care of receipts.

Rye was a little higher in sympathy with wheat, and oats remained neglected.

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CHICAGO Oct. 18, 1935.

Anybody reading the headlines of our newspapers this morning
uld have thought that war between Italy and England is imminent,
at least that the great possibility of a conflict between these
wo nations would have to be taken into serious consideration. The
ear of such an occurence was somewhat dampened before our session
ened this morning when Liverpool wheat cables were only moderately
gher. In fact their advance was no greater than the rise which
ok place here yesterday after the Liverpool market had closed. A
end of ours who just returned from New York reported that some
portant industrial telephoned to London to obtain the latest re-
rts on the political outlook, and the answer came back that the
r scare is mostly in the United States and that for the present no
eat apprehension exists in England. This also is confirmed by no
rticular rise in merchant marine risks, and by the attitude of
aders in the various markets for securities.

Nevertheless it was a foregone conclusion that our opening
uld be largely influenced by the unexpected scare, and wheat opened
nsiderably higher.

In the meantime the open interest increased again yesterday
400,000 bu, to 124,457,000 bu; as soon as realizing sales took
ace there were not sufficient new buyers to follow up further ad-
nces. At times the market actually became quite weak.

It is to be assumed regardless of the statistical position
wheat that short sellers will be very few from now on. However,
is has its two sides, as the market in consequence will become very
lnerable when longs wish to liquidate.

Final Liverpool cables were 7/8 to 1 3/8¢ per bu higher, but
e chief strength is still in the nearby future, foreigners evident-
expecting that they can obtain their supplies for less money later
.

Australian shipments this week were 2,517,000 bu compared with
241,000 bu a year ago. Together with clearances of Russia,
nubian countries and Argentina, almost 8 million bu have been put
loat this week. Even if the Canadian shipments should prove to
only 3 or 4 million bu, world importations are likely to be close
12 million bu, which is very much greater than they have been of
te, and also much larger than last year. Early in the season it
s estimated that Canada might furnish almost 50 per cent of total
quirements abroad, but she is falling behind right along, and her
atistical position is getting worse instead of improving. On
tober 11th there were 271 million bu in sight compared with 260
llion same period in 1934.

There are about 102 million bu of wheat left in farmers'
nds, making the total available for export and carryover a very
stantial one. While farmers' deliveries are somewhat on the de-
ine, they still amounted today to 1,951,000 bu; and this week's
ceipts will again exceed shipments by a great deal; therefore,
ding again to available stocks. Inasmuch as millions of bushels
Canadian wheat have been shipped to Buffalo and stored in bond,
ich wheat millers there and in the East can secure whenever they
nt it by willingness to pay the duty, there can be no actual scarcity
spring wheat as long as this situation exists.

We look for a healthier condition as far as the hard wheat
uation in the Southwest is concerned. Farmers have been selling
such a liberal scale, and the percentage of the crop which is left
farmers' hands is so small, that for the greater part of the bal-
e of the year receipts in the Southwest are bound to be very small,
millers will have to draw on accumulated stocks in elevators for
eir supplies. This is also clearly shown by the fact that so far
s week Kansas City, instead of increasing as has been the case
ht along, shows a small decrease in their stocks of 22,000 bu.
reases at Duluth and Minneapolis, however, continue, and the total
rease at these three places amount to 742,000 bu. Primary re-
pts were a little lighter, being 743,000 bu versus 887,000 last
k and 351,000 last year.

Final figures in wheat were 1/4¢ higher to 3/8¢ per bushel
er. This is a rather poor showing considering the scare on the
itical outlook. Nevertheless unless Canada actually presses her
es there is no immediate sign of sharp breaks. On the other hand
requires new constructive news to boost prices a great deal.

Corn is being offered more liberally from many sources, both
l and new, and the tendency is in a downward direction. Oats and
are following more the other cereals and are not acting independent-
in any way.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

Oct. 19, 1935.

The political situation abroad suddenly changed overnight. The very war-like atmosphere which had existed yesterday has entirely disappeared, and it is even intimated that peace overtures have been made and that the various heads of the greatest powers are working in an effort to accomplish this result.

Inasmuch as a certain percentage of the wheat strength was due to fears of a European conflict, naturally, cables came very much lower. Our market at the opening was almost demoralized but a good reaction took place later on. Liverpool wheat futures closed from 1 5/8 to 2¢ per bushel off. The decline was also helped by the more favorable crop outlook in the Argentine. At the lowest point today our December wheat had declined 10¢ per bu from the close of two weeks ago, October 5th. This of course is a great readjustment, and discounts a good deal of the improvement in crops which has taken place in the Southern Hemisphere.

Assuming that from now on we can make our calculations on basis of early peace, we find that there will be neither a great world scarcity, which would justify very high prices on this crop, nor will there be any such superabundance as had prevailed during the last two or three years, which would cause extremely low values. A fluctuation of 5¢ a bushel either upward or downward in the nearby future we think would be very big. After the turn of the year much will depend upon the new crop outlook, because in case of very favorable crop prospects nobody would wish to carry wheat over into the next season. At the present time moisture conditions in the Southwest are much better than they were for the three preceding years.

Today for the first time primary receipts show a material falling-off, being 671,000 bu. No comparison can be made with last week when there was a holiday, but we are entirely convinced that receipts both in the Northwest and in the Southwest from now on will be exceedingly light. In fact the interior points in the Southwest show a heavy falling-off already. Stocks at Kansas City, Duluth and Minneapolis show an increase so far this week of 681,000 bu. We believe the total increase in the visible supply on Monday will be very light, but comparison will be made with last year when there was an actual decrease of 3,381,000 bu. Unless our guess is very wrong, e believe that in either one or two weeks we will have seen the aximum supply of stocks at terminal points, and steady decreases rom then on will take place with a consequent reduction in hedges.

Under these circumstances we think at least for the time eing that the decline in values is sufficient, and that the least re-istance probably will be on the buying side, although we do not xpect anything sensational in an upward direction. The slow removal of hedges might give us a much firmer undertone.

Primary receipts for the whole week still show up very large, ,415,000 bu versus 5,743,000 last week, but if this is the end of eavy weekly receipts not too much attention should be paid to same.

At the close the market showed a decline of 1 5/8¢ per bu compared with yesterday.

There were 125,000 bu more wheat sold to go to store. e are inclined to believe that as long as December wheat stays at premium over the May there will be reasonable deliveries made after he close of navigation. Therefore we prefer the purchase of May heat to December at the present time.

The corn market acted very strong considering the weakness n wheat. Receipts are quite fair, but it seems the corn is all eing wanted and it will take quite a while before the holes can e filled. After a while when the rush of receipts comes on the mar-et, we would not be surprised to see corn lower, but in the meantime reasonably firm undertone is likely to prevail.

Oats and rye declined in sympathy with the other cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO Oct. 21, 1935.

There was not much encouragement today in either the European news r in their quotations. Liverpool wheat finally closed from 1/8 to /8¢ lower than Saturday.

The most discouraging factor is the very small world shipments, ndicating that both European and non-European countries can get along ith very small importations, evidently great economies taking place.

The world shipments this week while somewhat larger than last eek --10,705,000 bu compare with 9,088,000 bu parallel week in 1934-- re still 31 1/2 million bu less since July 1 up to date than last eason. The total takings of all importers are only 133 million bu, nd assuming for the last week this month there will be another 10 illion bu, it would foot up only 143 million bu for four months, or t the rate of 430 million bu for the whole year, while the early stimates of Broomhall were for requirements of 540 million bu. Of ourse we assume that later on the needs will be very much greater, lso that the Southern Hemisphere will ship considerably less than ormally, but part of it might be taken up by Russian and Danubian learances. It also must not be forgotten that the Canadian situation is actually worse than it was last year. According to Sanford vans the available supplies on October 11 were 359,855,000 bu compared ith 336, 627,000 last year. Consequently she will first have to dispose of 22 million bu before present stocks are reduced to the same oint as they were in 1934; after that she will have to ship a great eal more to reduce her burdensome supplies, and it is not likely she ill wish to have anything like 215 million bu left as she did on ugust 1st this season.

Last week in Canada farmers' deliveries were much the same as ast year --12,708,000 bu, but as the clearances to Europe were less han 3 million bu, another accumulation at centers must have taken lace.

Importations to the United States reported since July 1st were ,300,000 bu for actual consumption; but as Buffalo did not report he last week or two, these figures are not absolutely accurate, and rom all we can hear importations continue right along at such a rate hat the United States finally will absorb very fair quantities.

The rains in the Argentine undoubtedly have done some good, ut the damage previously done was so great that the improvement at est can only be moderate. However, Broomhall estimates that the outhern Hemisphere will have about 168 million bu for export, which s perhaps 100 million bu less than normal. Ordinarily about 70 % f the available exportable surplus is moved during the first six onths of the crop year, which in this case would be approximately 17 million bu, or at the rate of 4 1/2 million bu a week. If prices re extraordinarily high, the percentage of sales might be increased uring this period at the expense of lighter shipments during the last art of the season. Therefore we can come to only one conclusion, nd that is unless total requirements of all importers are greatly increased, there will be no scarcity, even if the offerings from Canada hould be only moderate.

As far as our opinion is concerned, we see no radical change n the situation as it has appeared lately, viz., that it will all epend on how fast Canada is willing to dispose of her stocks, and ow much she will be inclined to carry into the next crop rather than epress prices.

Of course after all this is said, there is no use going to the ther extreme, and figure that wheat values could possibly be very heap. While there is no great scarcity, neither is there any great uperabundance.

(OVER)

As far as the domestic situation is concerned, we expect a great change in a short time, looking forward to very small primary receipts --probably the smallest we have had in years. This is based on the fact that ordinarily about 35 to 38% of the crop moves to primary markets. The latter is almost the outside figure of what we may expect. On a crop of 596 million bu of wheat, total primary receipts for the year should not exceed 226 million bu; and up to last Saturday 138 million bu have already arrived, leaving only 88 million bu at the extreme in about 210 business days, or say 400,000 bu a day. This, we realize, naturally would compel us to draw very heavily on our terminal stocks. We do not see any likelihood that these figures will be surpassed, except through heavy importations or unusual shipments from one point to another. Such occurred today when it was reported that 165,000 bu of wheat were brought here from Buffalo. At this time of the year we are in the habit of shipping wheat to Buffalo, and ordinarily do not expect any receipts from the East.

After an early decline there was a fair recovery, chiefly influenced, we think, by the decrease in the visible supply, of which there were early indications that this would take place. The decrease was 793,000 bu versus a decrease a year ago of 3,381,000. Our present stocks are about 28 million bushels less than similar period in 1934.

Primary receipts are still quite fair --1,301,000 bu. It is difficult to make comparisons with last week when they were 2,141,000 bu, because at that time there was a holiday intervening, giving receipts for an additional day. Receipts, however, in the interior of the Southwest were so extremely small that we think from now on primaries will be very light.

The open interest is about unchanged --a little over 126 millio bushels. There never was any particularly great pressure on the market. At the close wheat showed an advance for the day of 1/4¢ per bushel.

After the turn of the year naturally the price level will depend a great deal upon the prospective crop outlook. It is extremely favorable now, as further rains have taken place in the Southwest where moisture conditions are very much better than they have been for the three preceding years. Should the outlook later on be exceedingly favorable there would be no inducement to carry much wheat into the next crop, and we could get along with a carryover much below the normal. Those who are owners of wheat would be glad to get rid of same before it comes into competition with the new crop.

Corn acted independently strong, probably somewhat influenced by the wet weather. Whether we shall have an early heavy movement or not will naturally depend very largely upon atmospheric conditions.

There was hardly any interest shown in oats; and rye closed a trifle higher in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

October 22, 1935.

The wheat market is hesitating at the present time. Traders are ndecided whether the dominating influence from now on will be the oreign situation, which has weakened of late, or whether they should ase their calculations more on the domestic one, which is bound to trenghten considerably from now on.

In former years we assumed that a 42¢ per bushel duty would pro-ect us against all fear of importations. In fact during the Coolidge dministration when the duty was raised to that point everybody be-ieved that the action was taken more as a gesture to the farmers han for any practical purposes, because even with the lower tariffs hen in existence importations had never been thought of. Of course, t that time we were an exporting country, and nobody would have ver thought that with the large acreages available in this country, his situation could change until our population would vastly increase.

We still assume that the importations which have taken place this ear are only of an exceptional character, but the combination of hree poor crops in succession, together with an enforced reduction n acreages, brought about this result which now must be faced. An dditional factor was the great percentage of poor wheat raised this eason, making choice spring wheat very scarce and only obtainable t fancy prices. Therefore no longer is the 42¢ per bushel duty a arrier to importations which will increase in proportions as our alues enhance or Canadian prices decrease.

Cables were lower again today, futures at Liverpool declining rom 1/2 to 1 3/8¢ per bu. This was immediately reflected in the anadian markets and affected ours. During the session, however, here was a moderate improvement from the opening prices caused y the healthy domestic outlook.

Primary receipts continue to decline from week to week and today mounted to 738,000 bu compared with 844,000 last year. However, rom now on we think the decreases will be much heavier. Last year fter this period, viz., October 19th, 1934, to June 30th, 1935, the rimary receipts amounted to only 59 million bu. It is true that on tober 1st stocks in farmers' hands this season exceeded those of ast year by 27 million bu. However, in all probability not more than e-third will show up in primary receipts and therefore it is unlikely hat from now on for the balance of the year over 70 million bu will e received at terminal points. When it is further considered that n less than four months up to date the primary movement was 138 mil-ion bu, and during the next four months it will be less than 70 mil-ion bu, it can be clearly seen how strong the domestic situation is nd will be, particularly so as the visible supply is also so very ch smaller than in 1934 parallel period.

The carryover last year was somewhat larger than a normal one, ut not burdensome, and this year probably will be below normal, but n view of a favorable crop outlook millers and consumers might be rfectly willing to let their wheat and flour stocks run down to a nimum.

Stocks so far this week at Kansas City, Duluth and Minneapolis how a small increase --183,000 bu.

At the close the market showed a decline for the day of 1/4¢ per . For the present we expect a very indifferent market. Any radical hange would have to come from a greatly improved foreign demand as he effect of the strengthening domestic situation will only be felt very radually.

(O V E R)

The open interest is still increasing, now amounting to 127,177,000 bu, showing supreme confidence on part of many speculators.

There were 150,000 bu additional wheat sold to go to store. It is our opinion that unless a radical change takes place, or milling demand is more urgent for the red wheat variety, that we shall have very fair-sized deliveries on December contracts after close of navigation. This, in our opinion, would finally result in a discount for the December future compared with the May, whereas at the present time the nearby delivery is still bringing a premium.

The corn market was firm during all the session. Receipts of new corn so far are bringing good prices; a car of new #3 yellow corn sold at 19¢ over December. Five cars of very dry corn to be shipped from Texas brought as much as 86¢ per bu to arrive. The weather at the present time is not favorable for an immediate increased movement, and until there are greater accumulations and more pressure we are not likely to have any sharp declines. This, of course, is likely to change materially whenever farmers' sales assume a greater volume so that there will be legitimate increased hedges in the market.

The volume of trade in both oats and rye is very small now, and with the lagging interest fluctuations are extremely limited. Yesterday the total trade in all futures of oats amounted to only 810,000bu, and in rye 400,000 bu.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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CHICAGO MERCHANTILE EX.

CHICAGO October 23, 1935.

The same hesitancy which has been apparent in our wheat market e last four or five days, still continues and it looks very much as ough some new great incentive were needed to take us out of the rut. herwise fluctuations are bound to be small. In that case natural- new speculative engagements will also be unimportant.

Yesterday the open interest in wheat increased again 422,000 to a total of 127,599,000 bushels, showing that the tendency of the erage speculator is still on the constructive side and that optimism s not yet given way. However, the question arises whether this will ntinue if the present holders of futures do not receive more en- uragement.

As far as the political situation is concerned, it is certainly ss tense than it was, and war-risk insurance from the Black sea ports s been reduced. Speeches in the English Parliament were also very nciliatory, and unless there are new developments, no bull move- nt is in sight on account of possible war scares.

In the meantime further improvement in the crop outlook in the uthern Hemisphere has taken place. An official report confirms at the recent rains in the Argentine caused an important change in gricultural conditions and helped to avoid a possible crop disaster. ile crops will be below normal, nevertheless it is expected that elds will be more favorable than had recently been expected.

There is also further improvement in Australia and cutting of eat is likely to be general the middle of next month. Inasmuch as crop in Manchuria is also promising --10 to 15 million bu more eat than last season-- it is evident that a larger share of the stralian crop will be available for export to Europe, and that stern countries might take smaller quantities than usual. So far nce August 1, exports to non-European countries are 5 million bu ss than in the same period 1934.

Liverpool cables closed practically unchanged; and at one time ring the session our market showed reasonable firmness, but the ad- nces could not hold when Winnipeg futures became very weak. The atistical situation in that country makes it very difficult to main- n any strong undertone. Canadian wheat stocks as of October 18 ounted to 256,958,000 bu compared with 241,553,000 last year, or million bu more. This, of course, does not include the amount of eat held by farmers and their deliveries continue to be very heavy ly, and adding to the burden. Today's deliveries amounted to 50,000 bu compared with 1,642,000 last year, and so far from week week receipts were heavier than export sales.

The domestic situation taken apart would be highly satisfactory. emiums are being well maintained everywhere, and there is no particu- r pressure from any source whatsoever. However, as the 42-cent per shel duty is not effective in preventing importations, it is im- ssible to take a permanent bullish stand unless the world price ad- nces also. If not, as long as the high premiums exist for spring eat varieties, on any further advances shipments from Canada to the ited States are bound to take place.

Primary receipts today were 980,000 bu, but included in this 500,000 bu received at Duluth, the greater part of it coming om Chicago, which is, therefore a duplication. All the other markets eived only very small quantities.

At times the wheat market received great encouragement from the rength in corn futures. Weather conditions over all the belt con- ue to be highly favorable with the exception of a very dry area in omparatively small part of the Southwest.

At the close the market showed a decline of 1 1/8¢ per bu.

The corn market showed great strength early, the trade appreciat- more and more that supplies of the old crop have been almost en- ely exhausted and that it will take a long time to fill the holes. size of the movement will naturally depend much upon weather con- ions; and therefore when same are not entirely favorable for the uring of the crop shorts easily become nervous and cover.

Final figures in corn futures were 1/8 to 1/2¢ per bushel higher n the previous close.

Rye gained more friends on account of the countervailing duty ing been put into effect, which from now on will prevent the dump- of rye from Poland. However, our own domestic supplies are suf- ient for all purposes.

Oats continue to remain neglected with the smallest possible ctuations.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO Oct. 24, 1935.

There was no grain session in the Winnipeg market today, the Canadians celebrating their Thanksgiving day. When the Winnipeg market is closed and ours is open, it is always felt very much here. There are lots of orders coming into this market from there, and in addition many spreading operations increase our volume. Moreover this season the Canadian influence has become all-important as that country is the only one which has a very large surplus of wheat to offer to the importing nations. Bulls and bears may differ a great deal among themselves regarding the future price level and other matters, but we think they all agree on the one point that the marketing of the Canadian wheat crop is the most important item in shaping values this season. It will make a great deal of difference in the trend of prices whether the Government agencies are disposed to clean up the burdensome carryover, or whether they prefer to again withhold large quantities of wheat from the market. The latter would lessen temporary pressure and possibly improve international markets for the time being, but it would be detrimental to next year's marketing plans.

Under these circumstances our trade here was quite listless, fluctuations rather unimportant, with the close showing a decline of 1/8¢ per bu.

The Liverpool market was somewhat higher, gaining from 3/8 to 1¢ per bushel, chiefly in sympathy with firmer quotations from the Argentine.

Russian shipments while smaller then last week are considerably greater than last year and all of the Black sea ports cleared 1,864,000 bu compared with 320,000 in 1934.

Estimated Argentine shipments are actually larger than last season --2, 131,000bu compared with 1,557,000 bu parallel week in 1934.

On the assumption that Australia will put afloat a fair quantity and wheat also will clear from some of the minor countries, it will not require a large amount from Canada to make up a week's requirements. Therefore it is most likely that Canada will not sell anywhere near as much as the amount of farmers' weekly deliveries and her stocks will pile up again.

The domestic situation is shaping itself the way we expected, and primary receipts today of 640,000 bu are probably the smallest since the spring wheat movement started; but even this quantity, we believe, will look large a few weeks hence and after the turn of the year it is possible that the receipts at terminal points will be down to extremely low proportions. This in itself would be very bullish were it not for the fact, as so often stated, that as long as this shortage of domestic wheat may easily be augmented by unlimited quantities from across the border, it will not have the same effect as it otherwise would.

The open interest is still increasing, gaining almost one million bu yesterday, and has now reached the high point of 128,597,000 bu. The bulk of the trade is in May wheat, but the open interest in December wheat still remains 44 million bu, and during the next month we expect heavy liquidation in same, which may not all be transferred to a deferred future month unless the outlook is for greater encouragement to the owner. Just at the present time the milling demand is very poor and it is more difficult to consummate sales for large quantities of wheat to the processor. This, however, is likely to change any time as the flour stocks in second hands are not particularly large, and we have no reason to suppose that the normal yearly consumption is being reduced; so if there is a temporary lull in the milling business no doubt it will be made up in the future.

It seems evident to us that a new incentive is needed to boost prices. It would have to come from more normal importations by Europe, which in turn would strengthen the Canadian market and reduce the quantity which otherwise would be available for the United States.

The corn market which had been very strong for a couple of days lost some of its vigor today. Offerings of new crop are more generous, farmers apparently being anxious to take advantage of the high premiums over the deferred futures existing at the present time. The demand is still very good, and it will take some time before all the holes are filled, but finally we think this will be done, although it may take a couple of months to do so. It is questionable whether there will be a liberal amount of corn here during the month of December to fill contracts. Much will depend upon atmospheric conditions.

Oats suffered a little in sympathy with corn; and rye interest was at a minimum, with small fluctuations.

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CHICAGO MERCHANTILE EX.

CHICAGO October 25, 1935.

There was no important news of any kind today to affect one's opinion on the wheat market. For a long time yields in the Northern Hemisphere have been known, while great uncertainties existed about those in the Southern Hemisphere, but the time for harvest in both Argentine and Australia is so close now it is safe to say that in all likelihood present estimates will be about realized. Should this be the case there is no question that the world production with the carryovers is plenty for all needs; and while the surplus at the end of the year will be less than it was on July 1st this season there will be no scarcity; and consequently no scarcity prices are in sight. In the United States, with the reasonable importations which we expect from Canada, a crop of 599 million bushels, plus 40 or 50 million bushels more which will be shipped into the United States, will probably equal about our yearly consumption. In any case, there is no reason to anticipate that our carryover at the end of the year will be close to a danger point. Later in the season the crop outlook will be all important. In case of a favorable outlook millers, as well as consumers and dealers, will be inclined to reduce their stocks to an absolute minimum as long as July wheat is selling at such a discount. On the contrary, should there be many crop scares then of course the desire would be to safe-guard against another shortage and lay in plentiful supplies. We, therefore, believe that after the turn of the year the chief influence will be the prospect of the coming crop.

In the meantime any great change in Canadian prices either upward or downward would affect sentiment here very quickly, as that country still remains the only one which has very large surpluses to get rid of --probably as much as all the other exporters put together. It was estimated as of October 18th that after allowing for home consumption Canada still had 356 million bu of wheat to dispose of compared with 333 million a year ago. Including exports to the United States, during eleven weeks starting August 1st, her exports were only 3 1/2 million bushels weekly. At that rate she would clear only 45 million bushels during the balance of the season, and would be eft with as much wheat on hand as on August 1st, 1935. We, of ourse, assume that the demand on Canada will be very much greater, ut just what quantities she can dispose of is still problematical. uch will depend upon the efforts which will be made to meet all competitors. Therefore it is still possible that inducements in the way of reduction in prices will be necessary to accomplish best results.

Some wheat was received here today from Buffalo --about 163,000 u, but to offset this it was reported that a cargo of wheat is now oading for Duluth. These are extraordinary movements caused by the reat difference in prices for the various varieties of wheat. The esire exists in the Northwest at the present time to buy some of the heaper grades here to mix off with the spring wheat in order to obtain a lower average price level.

The Liverpool market was about unchanged --a trifle higher for he nearby future. Foreign millers are still very indifferent buyers, nd seem to feel that they will be able to obtain their supplies without any great trouble.

Argentine and Australian shipments this week are almost 4 million bushels, practically the same as last year, but as the Black sea ports cleared a great deal more than the previous year, requirements from North America are only moderate.

Farmers' deliveries in Canada are commencing to show a slowing-down, being 1,327,000 bu versus 1,524,000 parallel day in 1934. Primary receipts in this country were rather heavy; including the cargo of wheat received fromBuffalo they totaled 1,102,000 bu against only 36,000 the year before; but receipts at Southwestern points show a great dropping-off.

At the close the market showed an advance of 7/8 to 1¢ per bu.

The corn market was quite stubborn, and while final prices were not very much higher than yesterday there was a very strong undertone. This, in spite of the fact that premiums on cash corn are declining slowly, and new corn was offered possibly 1 to 2¢ per bu cheaper than the previous day. However it will be a long time before there will be any real pressure and before elevators can accumulate enough corn to make deliveries on December contracts attractive.

Oats and rye fluctuated but little; not much interest is shown in these cereals at the present time.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO Oct. 26, 1935.

The chief feature of the news the past week was the continuation of crop improvements in Australia and in the Argentina, which are the only two wheat crops which have not yet been harvested. There was also further evidence of a reduced demand from the Orient, inasmuch as Manchuria raised considerably larger yields than last season; importing nations are making every effort, on account of the Exchange question, to get along with as few purchases as possible. Germany, for instance, for the two months of August and September bought only 506,000 bu of wheat compared with 3,700,000 bu a year ago.

Nevertheless the total decline in futures during the week was only about 2¢ per bushel, all of which practically occurred today. The weakness started in the Argentine, from where cables were considerably lower; this decline was immediately followed by Liverpool, and at our opening prices showed a considerable recession from yesterday.

Later an announcement was made by the Canadian Press, from which the conclusion may be drawn that gradually the wheat marketing policy might be changed, and a precipitous decline took place at Winnipeg with the loss at one time amounting to 3¢ a bushel. It is also the first time that futures there sold at a price less than the one guaranteed to the farmer -namely, 87 1/2¢, and which we assume will hold good until this year's crop is marketed. There is no guarantee, however, that wheat will be stabilized at Winnipeg at 87 1/2¢. This figure is only good to the farmer, but Government agencies may be willing to dispose of their holdings and their new purchases for less money in order to attract more buyers.

All this caused great discouragement, and new investors were scarce.

The Liverpool market showed a decline of 1/4 to 5/8¢ per bu; and it is most likely that with the break in North America cables will be lower again on Monday.

As far as the domestic situation is concerned, there is no great change, except that continued importations from Canada put a damper on any possible advances which otherwise might take place.

It is now reported that during the past week the United States' millers paid duty on 1,226,000 bu of Canadian wheat, making a total since July 1st of 8,981,000 bu.

We tried to analyze our probable consumption of wheat this year, and found that during the past ten years the United States raised a total of 7,706,000,000 bu. We imported 148 million; the carryover in 1925 was 115 million bu, giving a total supply of 7,969,000,000 bu. Our exports during that period were 1,476,000,000 bu; and the carryover in 1935 was 155 million bu, or a total of 1,631,000,000 bu. Deducting this from the above amount, there must have been consumed during the ten years 6,338,000,000 bu, or an average of 333 million a year. Our crop this year yielded 599 million bu; therefore with importations we shall probably have sufficient for a year's consumption. A little more or less would not make much difference, but it would be hazardous now to predict that our carryover at the end of the year will be less than it was on July 1st, 1935. Should this be the case, final prices will depend much upon the outlook of the new crop. However, it is not likely that we shall have a repetition of dust storms and drought such as we experienced early this year.

Primary receipts, as expected, are getting smaller, being only 671,000 bu today; for the week, 5,432,000 bu compared with 6,415,000 the previous week.

At the close the wheat market showed a decline of 1 3/4¢ per bu.

Corn held comparatively firm considering the weakness in wheat. Receipts are not sufficiently large as yet to exert any great pressure, and arrivals are needed by consumers, with none to spare for accumulations.

Oats and rye declined moderately in sympathy with wheat.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

Oct. 28, 1935.

It appears to us as though the world's wheat markets were adjusting themselves to changed conditions, and these only became pronounced during the last four or six weeks. We would consider that the most important change is the complete reversal of the Canadian policy in marketing not only this year's crop, but also the carryovers accumulated for several seasons. When a price was guaranteed to the Canadian farmers by the government of 87 1/2¢ FOB Fort William for contract grade, it was supposed that this might possibly be the minimum limit at which futures at Winnipeg would be permitted to sell, and that the selling price might also be pegged there. There was no assurance that this would be the case, but the shortage of both winter and spring wheat crops in the United States, creating an additional outlet for their wheat, led at least to hopes on part of speculators that the values at Canada might be sustained. It is now becoming apparent that on the contrary Canadian authorities are anxious not to repeat the mistakes of former pools and other organizations, but are disposed to sell their holdings at world prices. This gradually necessitated a reduction in Canadian values, and today several of the Winnipeg futures closed considerably under the 87 1/2¢ mark.

Undoubtedly it was found necessary to take this step as North America exported during the last four months only 42,823,000 bu, compared with 61,472,000 bu last year, or approximately 20 million bu less. This does not include the amount shipped to the United States of about 10 million bu, on which duty was paid; but of course the bulk of their wheat must go across the sea and compete with the other exporting countries.

Unfortunately, it has now become plain the early hopes that European and non-European countries might take as much wheat as they did in the year closing July 1, 1935 will not be realized.

Up to date world's exports of breadstuffs for the last four months were only 144,437,000 bu compared with 173,736,000 bu parallel period in 1934, or approximately 30 million bu less; so even the other exporting countries outside of North America suffer from the decreased demand abroad.

As far as the United States is concerned, it is apparent that with the lessened demand for Canadian wheat from Europe, it will be only too easy to import choice spring wheat to supplement our own raisings. We do not have to become aggressive buyers to supply these needs. On the contrary, of late Canadian offerings have become relatively cheaper, as Winnipeg futures declined even more than ours. Fears of a scarcity anywhere have disappeared, but should a scarcity arise at isolated places, it could be taken care of easily in a short while. Prospects for the next crop will be the dominating factor governing our market later on. So far moisture conditions are moderately satisfactory.

For practically three years the world has adjusted itself to the fact that the United States is no longer competing with the other exporters. Should we again raise a surplus it would either have to be sold abroad, depressing all markets, or otherwise new efforts on part of our government would have to be made to sustain a level of prices higher than world prices would justify. It would again change the whole AAA plans, as it is hardly likely that accumulations would again be permitted such as took place under the Farm Board and which brought about the crisis.

As far as the domestic situation is concerned, primary receipts are becoming lighter, today being only 1,023,000 bu compared with 1,301,000 a week ago. However, this does not make the proper impression on account of importations, which seem to be taking place right along. The visible supply showed an increase of

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1,692,000 bu, making a total now of 78,100,000 bu against 103,079,000 bu last year, or a difference of 25 million bushels. On July 29th there was a difference of 80 million bu, so gradually we have gained 55 million bushels by way of comparison. We consider it quite likely now that by next July our visible supply will be as large as it was the previous year. This, on the assumption that the total carryover might be as much, or somewhat less, although there will be less in farmers' hands, as they have sold very freely and were able to obtain high prices. Furthermore last year larger quantities were carried over on the Pacific coast, from where this season a large percentage has been moved East. Therefore the distribution of that which will be left will be entirely different from what it was on July 1st, 1935.

At the close the market showed a decline of 1 3/8¢ per bu.

Corn was firm early on account of more bad weather, but receipts are increasing, and premiums are declining fast. It is only natural to suppose that gradually the movement will be on the increase, and we doubt if the present level of price can be maintained.

Oats and rye declined in sympathy with the other cereals.

UHLMANN GRAINCO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

October 29, 1935

Our early decline was entirely due to the extreme weakness in iverpool, their futures finally closing 1 5/8 to 2 3/8¢ lower. Canada lso showed great weakness early and of course it was concluded that ur domestic situation alone is not strong enough to withstand the effects of depressing prices in all exporting and importing countries. n sympathy with these outside markets there was a sharp break amounting to about 1 1/4¢ per bushel at one time. The December future was articularly weak and evidently heavy liquidation in same took place n the part of longs who had accumulated lines at much higher prices nd could no longer afford to hold on to these previous purchases.

Without any special news, about an hour before the close of he session some short covering took place. Great strength was shown n corn futures and a moderate amount of short covering changed the hole tone of the market, with final prices 5/8 to 1 1/8¢ per bushel igher compared with yesterday.

Inasmuch as Winnipeg also recovered from its early decline, it s quite possible that we shall have much stronger cables tomorrow, ut it would be too early yet to conclude that we are in for a bull arket, as long as Canada is offering her wheat freely to anyone who eeds it.

The domestic situation offered no surprises. Primary receipts ontinue to get smaller: 616,000 bu today compared with 738,000 bu ast week. The open interest is gradually increasing in the May future and declining in the December. The latter is now only about one-half as large as the May, clearly indicating that the December longs re liquidating. Consequently, the difference between December and ay wheat narrowed, and at one time the two futures were almost even, hile only a little while ago December wheat sold at 3¢ premium. We re somewhat inclined to think that similar experience will be had ater on between May and July wheat. Assuming that we shall have our ormal carry-over, with a large percentage of it in the visible supply, there will be no object to paying fancy prices the end of May ver the July future, with the knowledge that later on wheat could be ad for less money.

Corn receipts show considerable increases everywhere, being 99,000 bu today compared with only 264,000 bu last season the parallel ay. Premiums are consequently declining almost daily and the market uffered a small decline early in the session. But there is great esitancy about selling corn short until the loan price to the farmer n part of the government agencies is fixed. If the price is reasonably high there will be a lesser tendency on part of the farmer to ush his corn to market. This creates an uncertainty for the time eing.

Oats and rye closed a trifle higher in sympathy with the advance in the other cereals.

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CHICAGO MERCHANTILE EX.

CHICAGO October 30, 1935.

The foreign news offered no encouragement to our market today. n spite of our very sharp advance late yesterday after they had losed, their futures finally finished with a decline of 1/8 to 1/4¢ per bushel compared with the previous session. The chief deline was in the three most active futures --December, March and ay. Since last Monday, October 28th, Liverpool December and May heat futures have declined during the two days, 2 7/8¢ per bu, while ur May wheat advanced 1/4¢ per bushel.

We believe the pessimistic feeling abroad is partly due to mproving crop prospects in the Argentine as a consequence of recent, ccasional, scattered showers; but more so owing to the Canadian ituation. For virtually ten years the Winnipeg futures market has een under the domination of governmental influence. First a number f pools endeavored to force prices higher through substantial acumulations. The results were so disastrous that government agenies were compelled to take over the stocks to prevent a calamity. ven then no great efforts were made to market the wheat and put it nto consuming channels. Those in authority seemed to speculate rom year to year, figuring on or hoping for failures of crops. Their ishes were realized and for three years in succession Canada had oor yields per acre. Nevertheless the plan had been so poorly coneived that despite the fact that Nature was very helpful, a day of eckoning has arrived. It appears as if the present management nderstands this fully. It is our judgment, and also according to heir law, that they will now merchandise the wheat the same as other ell posted grain men would do. The law provides that the Canadian heat should be sold whenever it could be done at reasonable prices.

We presume that the present level is so considered, and while e do not expect any dumping or particular pressure on any one day, we assume that the Canadian wheat will be for sale right along to those ho are in need of it. At the present time, of course, the reversal f position cannot be accomplished without paying some penalties; but fter the mistakes have once been corrected, it will probably be the est for all concerned. Canada no doubt in the future will reeive her share of the export business, and whenever the huge surplus s once removed the possibility exists for world's price level that ill pay fair compensation to the farmer everywhere. Just now we re in the transition period, and the fact that Winnipeg futures ave declined almost daily of late is sufficient evidence to us that he liquidating process has started. In the long run this means hat European needs can easily be supplied, and that also the United tates will be able to import sufficient quantities of spring wheat o enable millers to fill all the flour requirements of the trade. t removes all fears of possible scarcity anywhere; and as Europe educes her buying prices at Canada, this latter country is more disosed to sell to the United States for less money. We are, thereore, no longer independent of the world's level.

It, therefore, is important to know that on October 25th, his year the visible supply of Canadian wheat was the largest ever; amely, 260,738,000 bushels. This compares with maximum supplies n other crop years as follows:

1934, Dec. 28	-	258,093,000 bu
1933, Nov. 9	-	247,184,000
1932, Dec. 16	-	237,938,000
1931, Jan. 6/32	-	200,797,000
1930, Dec. 26	-	218,225,000
1929, Dec. 26	-	229,795,000
1928, Jan. 4/ 29	-	230,868,000
1927, Feb. 15/ 28	-	166,947,000
1926, Dec. 17	-	130,570,000
1925, Dec. 24	-	128,952,000

(O V E R)

Our market naturally opened lower under the circumstances; but also the war scare which had existed yesterday has entirely disappeared. It seems that outside of the grain columns nothing appeared in our morning papers to indicate that any more anxiety existe in Europe regarding a possible conflict between any of the great powers than the day before.

Primary receipts continue daily to be less than similar periods the week before, and today they are 767,000 bu compared with 980,000 bu a week ago. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of only 203,000 bu. We believe the time for heavy accumulations in the United States is passed, and before very long we may look for some decreases in the visible supply.

The milling demand shows some improvement. However, we believe the world situation is now paramount, and the United States alone cannot have a separate price level.

At the close our market was 7/8¢ per bu lower to 1/4¢ higher.

The great strength was in the July future. It commences to be recognized now that Chicago has a stock of wheat of 9,729,000 bu, and it is not likely that any large quantities will be shipped East before close of navigation. Therefore, if we carryover into January, 1936, approximately such an amount there may be plenty left next May to make a possible carrying charge, or at least May and July wheat might sell at even money, unless the demand for the red wheat improves considerably later on.

Trade in corn is light, and it will probably remain so until it is known what the loan price on part of Government agencies will be.

Fluctuations in oats and rye were highly unimportant, and trading in these cereals is down to a minimum.

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CHICAGO October 31, 1935.

After a steady but somewhat surprising decline at Liverpool during the past few days, there was a complete change today and their futures advanced from 2 to 2 3/8¢ per bu. We do not believe that this was due to greater fear of war possibilities, as it is reported that premiums at London against war involving Great Britain have fallen considerably and transactions have taken place on basis of eleven to one for the risk. A month agb at one time the insurance rate against such a war was fifty per cent.

The strength abroad occurred on more legitimate conditions. Broomhall's agent now estimates the probable Argentine export surplus between 56 and 72 million bu., say 64 million bu., compared with 88 million bu a few weeks ago. Estimated Argentine shipments were also small --1,176,000 bu compared with 1,962,000 bu last year. Black sea shipments were also less than last week --1,296,000 bu compared with ,864,000 last week, but only 584,000 bu in 1934. However, these countries combined are still exporting as much wheat as they did the previous season.

Even if Australia should clear a fair amount, it is evident that Canada will be the only country able to cover the deficiency of weekly requirements estimated to be 10 to 11 milliôn bu. from now on. This again makes it quite clear that Canada is the key to the whole wheat situation, and the size of her available surplus and the manner of marketing will continue to remain the dominating factor.

Country marketings in Canada are gradually decreasing, today eing the smallest for the crop year --793,000 bu compared with ,191,000 bu last year. The visible supply at Canada showed another ncrease; the total of 266 million bu is very much larger than last ear, and remains very burdensome. Until it is considerably reduced, e believe that while we may have upturns in the market from time to ime, such as we had today, it will be rather difficult to hold rices around the $1.00 level in this country.

Primary receipts, rather surprisingly, were larger today than arallel day last week --682,000 bu vs 640,000 bu; and stocks at ansas City, Duluth and Minneapolis so far show an increase for the eek of 290,000 bu. This is much smaller than it had been right long and we must be very close to the zenith of our accumulations, e doubt whether at any time on this crop the visible supply will be uch larger than it is at the present time.

There was very little heard today about any improvement in the illing demand, and we assume that it is rather dull at the present ime, but of course millers and consumers are human beings like ther speculators and should further strength be maintained in the arket they might find greater encouragement to lay in larger stocks.

At the close the market showed an advance of 1 to 1 1/8¢ per bu.

The strongest future was again the July. While the difference inally between May and July wheat will depend upon a great many other actors, the chief one, in our opinion, will be the amount of wheat hich will have to be carried over on May 1st in Chicago. Because if he quantities in elevators at that time are heavy, naturally, nobody ould care to carry the wheat into another crop at big premiums.

We now find that Chicago stocks at present are 9,729,000 bu ompared with 6,555,000 last year, or an excess of over 3 million bu. n May 6th, 1935, they had been reduced to 4,271,000 bu, or a total ecrease of only 2,300,000 bu during that period. It appears to us s if this season we would have to reduce our Chicago stocks at least or 6 million bu during the next six months in order to prevent a arrying charge. Therefore, we are still of the belief that the sale May wheat against July wheat offers great possibilities for profits.

After yesterday's session had closed the Government agencies nounced the loan price on corn to the farmer to be 45¢ a bushel. This as quite in line with what was expected. However, there are quite a umber of conditions attached to it, which does not make it possible r all farmers to comply. From that point of view we rather expected at it would be considered as bearish; possibly this would have been e case had it not been for the great strength in wheat, and the market closed higher in spite of it. We believe, however, that this is ly temporary and that with an increased movement there will be re-ssions.

Oats and rye reflected the strength of wheat, and closed higher.

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CHICAGO November 1, 1935.

Our market today again showed its great dependence on foreign markets as a guiding influence. When Liverpool futures came rather strong before our session opened, we immediately took cognizance of it and our opening prices were higher in sympathy. Later when a decline abroad took place, it immediately affected the Winnipeg market as well as ours and recessions occurred.

With an open interest of 129,438,000 bu (increasing yesterday 867,000 bu), and practically the largest on this crop, there seems to be scattered liquidation on every upturn. The open interest is now almost 60 million bu larger than the lowest point. Whenever the time arrives that the domestic milling demand exceeds farmers' deliveries, the removal of hedges will tend to strengthen the situation, and while this point probably will be reached very soon, it has not quite arrived as yet. In the meantime it is still very essential that the whole world position in wheat be taken into account, because too large importations from Canada could easily offset future strength in the domestic outlook.

Today it was reported that Australian shipments for the week were still very large --2,787,000 bu compared with 3,216,000 last year, so there will be total clearances from Australia, Argentina and the Balkan countries of almost 6 million bu. The world shipments last year similar week were 10,109,000 bu, and we doubt whether they will be as big on Monday, as it would require 4 million bu from Canada to bring about this result. So far on this crop the actual exports from Canada, including 9,500,000 bu sold to the United States, on which duty was paid, were about 44 million bu. This is for the period from August 1st to October 26th, or practically three months. Should this rate be much the same for the next nine months, Canada would clear only 176 million bu, which would not give sufficient relief from her burdensome stocks. She can spare a great deal more.

Farmers' deliveries in Canada up to date were 146 million bu compared with 139 million bu a year ago. Therefore, we are under the impression that the Government report on yields probably was correct and that the crop this season has been much the same as the previous one, or possibly a trifle more.

Our primary receipts are falling off, being only 700,000 bu compared with 1,102,000 bu last week. All indications point to a very small movement soon with probably very light receipts after the turn of the year. Stocks at Kansas City, Duluth and Minneapolis so far this week show an increase of 187,000 bushels.

Trade was extremely light and fluctuations comparatively unimportant. At the close the market showed a decline of 1/2¢ per bu for May wheat, but was a shade higher for the July future.

Corn receipts are considerably on the increase; premiums are declining. We believe the same tendency will continue for some time, and finally bring about a lower level of prices.

Oats and rye were somewhat neglected and there was no particular pressure in either direction.

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CHICAGO November 2, 1935.

Liverpool was very little changed this morning. After a slightly higher opening the market eased off due to cheaper offerings fromCanada and the Argentine. The fact of the matter is that May wheat in Liverpool is selling for only 85 3/4¢ per bu; and despite the fact that world shipments on Monday will probably be very small, they are not at all alarmed about future supplies, and simply continue the policy of buying from hand to mouth.

We believe as time goes on that traders will gradually come o the conclusion that unless more encouragement comes fromabroad hat it will be difficult to sustain values anywhere. In the first lace Canada is not able, at the present time, to maintain the 37 1/2¢ per bu level, which price was fixed by Parliament as the oney to be paid to the farmer. Therefore until much greater quantities are sold from that country, there will be the continual threat f importations into the United States, which will place a certain eiling over our market. This is the same situation as we had in orn last year, when imports from Argentina, and even from South frica on one occasion, menaced our prices structure. The strong omestic situation alone may not give us scarcity prices, which so any people had predicted earlier in the season. Should we finally mport sufficient quantities to make up our domestic shortage then he important feature will be the outlook for next year's crop, which t the present time is quite favorable, and so far suggests a slightly larger acreage than was sown a year ago.

Primary receipts today were 683,000 bu compared with 309,000 n 1934. Stocks at Kansas City, Duluth and Minneapolis so far this eek show an increase of only 12,000 bu, but the decreasewas all in ne place --namely, at Kansas City, where a shrinkage occurred of 74,000 bu. Primary wheat receipts since the first of July have een very large, viz., 148 million bu, and we believe that from now n receipts will be very small. In another week or two the visible upply will gradually start to decrease, and the removal of hedges ill be somewhat of a factor in preventing very drastic declines.

One of the features in today's market was the strength in he December future; and this situation is uncertain, although we believe that fairly sizable deliveries tendered after the close of avigation might find a rather poor demand as stocks here in Chicago re still plentiful.

Corn opened slightly lower; there was very little trade in is cereal.

The weather on the whole is quite satisfactory, and on the ssumption that receipts will pick up the December delivery sagged a slight discount under the May.

Oats and rye were very little changed, and new trading incentives in these cereals were again lacking.

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CHICAGO November 4, 1935.

Wheat traders in discussing the "pros" and "cons" of the future wheat values hardly mention the Ethiopian war or the possibility of the extension to a European conflict. However, they discuss more and more the Canadian outlook, feeling that there rests the key to the whole situation, and that values both in Europe and here will be largely influenced by the size of the demand which will develop for this wheat. It is recognized that the law will be carried out and that Canada will sell her supplies whenever the price is reasonable. When offerings from there are too large for immediate absorption and Canadian futures decline, Liverpool is immediately affected and so is our market. Great hopes were based early in the season on a reduction of Canadian pressure on account of the amount of unmillable wheat. The size, of course, was anyone's guess.

It is a little easier now to arrive at some conclusion. The total number of cars received at the various terminal points since August 1 were practically 70,000, of which 5,000 cars were feed wheat. The total amount of contract wheat was 67 per cent. The balance consisted of durum wheats and No. 5 and 6 grades, which we believe can be used for bread wheat to a very large extent through mixture. If these surmises are correct, the amount which is only fit for animals we believe will be smaller than previously estimated. The movement in Canada shows some dropping off, with farmers' deliveries last week 7,761,000 bu compared with 8,575,000 bu corresponding week in 1934. As, according to the best estimates, there are only 73 million bu left now in farmers' hands, no great pressure should take place from now on from this source during the next 9 months to August 1st, 1936.

Liverpool cables were quite indifferent, being virtually unchanged to 1/8¢ lower; but Canadian markets were very weak, which was the greatest influence here.

World shipments were larger than both last week and last year, and it is to be hoped that from now on the importing countries will require larger quantities. This is badly needed, as the total clearances since July 1st from all countries amounted to only 153,109,000 bu for four months versus 183,995,000 last season, or a difference of almost 31 million bu.

Primary receipts are becoming lighter, and today were only 35,000 bu compared with 1,023,000 last week. The visible supply shows a decrease of 799,000 bu versus a decrease last year of ,379,000 bu. It now amounts to 77,301,000 bu whereas last year stocks at terminal points were 100,700,000 bu. Therefore a difference of 23,399,000 bu --the smallest in some time. We are still inclined to believe that gradually this difference may entirely disappear, and that our visible supply next July may be as large as he one last season. Chicago stocks show a decrease of 192,000 bu, ut still amount to 9,537,000 bu. This should result in carrying harges, but at the present time December wheat is selling at a pre-ium over the next future.

At the close the market showed a decline of 3/8¢ per bu.

Corn was somewhat higher, chiefly due to the continued bad weather, which is against a free early movement. However, receipts re sufficient for present requirements, and it is still possible hat with the advancing season we shall have colder weather, which would increase receipts considerably, and be against the market.

Trade in oats and rye was also very dull, and reflected the ovements of the other cereals.

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CHICAGO November 5th, 1935.

The weak foreign situation was again the dominating factor in influencing wheat transactions in our futures. Liverpool closed 1 1/8 to 1 5/8¢ per bushel lower than the previous day. This could not help affecting the Canadian market, which depends almost entirely on import markets for disposing of their large available supplies. England and Ireland take at least 40 per cent, and possibly more, of all the world exports. Therefore the weakness abroad lessens the hopes of Canada to sell large quantities, and naturally they may turn to the United States as an additional outlet. Consequently, the fact that ordinarily we would be on a strictly domestic basis, this season in spite of a 42¢ per bushel duty our own crop will be augmented by wheat supplies imported fromCanada. This movement, which has already taken on fair proportions, will probably continue as long as high premiums exist for choice spring wheat in the United States.

Until recently great hopes for higher prices were based on the fact that supplies in Argentine were very small and that the new crop prospects are also very poor compared with other years. However, Argentine December wheat sold today for less than 72¢ per bu, and has been declining quite considerably recently. Therefore it appears that even the smaller quantities available from that source are still pressing on the market.

So the whole foreign situation must be construed as distinctly bearish; and as long as this condition lasts it is difficult to anticipate higher prices in this country. On account of an otherwise strong domestic situation, declines may be only moderate and very gradual; particularly in view of the fact that primary receipts of wheat continue to decrease, being 596,000 bu today against 616,000 last week. The bulk of it is being received in the spring wheat territory, while the winter wheat movement is extraordinarily light.

Also it should never be forgotten that premiums for cash wheat are still well maintained, especially on all hard wheat, which at least at times is bound to give us temporary strength. So far this week stocks at Kansas City, Duluth and Minneapolis show only a very small increase, amounting to 164,000 bu; it is quite likely that we shall have another decrease in the visible supply next Monday. The decreases when once started should continue until almost the end of the ~~next~~ crop year. With the open interest the largest on this year's harvest --over 130 million bu-- a technically strong situation may arise at times as hedgers will be compelled to buy the futures as fast as they sell their cash wheat. The possibility, however, exists that if no further encouragement is given to the trader who has made his purchases already, he will be willing to sell out, particularly if prospects for next season should be favorable. In fact, when we enter the spring period much will depend upon next year's crop outlook. With an estimated planted acreage of 45 million acres and a normal amount of winter killing, as well as average yields per acre, we should again be entering the export column, which would bring us down to world prices unless the Government interferes and establishes an artificial level. All this would be anticipated before hand, and by next May holders of cash grain would be anxious to sell as long as premiums exist over the further deferred future-- July.

At times our wheat market received a little strength from corn, but the net decline for the day was 3/4¢ per bu.

Sentiment in corn changed overnight on account of a statement by Secretary of Agriculture Wallace, practically permitting farmers to raise an adequate amount of hogs. With the high prices prevailing for these animals, the inclination naturally will be to take advantage of the situation. Therefore a larger consumption of feed for animals is in sight. This does not necessarily mean any great extremes, as feed supplies outside of corn are very plentiful, but it certainly will have the tendency to prevent any great declines in corn values. Of course the crop, while much larger than last year, would still be considered a small one compared with previous seasons with more normal consumption.

Oats did not benefit much from the strength in corn; rye was lower, reflecting the weakness in wheat.

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CHICAGO MERCHANTILE EX.

CHICAGO November 6, 1935.

The wheat market showed a very firm undertone today, but the undamental conditions have not changed. To describe it in general erms, we believe the foreign situation is still very weak, while the omestic one is strong, provided it is not spoiled by heavy Canadian mportations.

The latest reports from Canada indicate wheat stocks at various oints 264,413,000 bu compared with 249,501,000 bu last year, or 15 illion bu greater, and the largest reported at any time. Of course f Europe would be an active buyer this would change everything, beause the huge supplies in Canada are the only sore spot in the whole heat picture. But Broomhall again reports that owing to extreme eakness financially of many countries, and difficulty in obtaining he proper foreign exchange, the Continent remains a very indifferent uyer. Liverpool futures showed an advance of only 1/8 to 3/8¢ per u. This is a small recovery considering that that market had delined fully 7¢ per bushel in a comparatively short time.

The world's visible supply as of November 2nd shows a quantity f about 384 million bu versus 412 million in 1934, or about 28 milion bu less. The chief shortage by way of comparison is the United tates, where stocks are about 23 million bu less than in 1934 parallel eriod.

It is somewhat encouraging that the Canadian markets also videnced some improvement today, and we believe that the strength in orn was a sustaining factor. As far as sentiment is concerned, the rade is taking a great deal of encouragement from the decrease in rimary receipts, which we had expected for so long, and which finally eemed to materialize. We believe today's were the lowest on this seaon's crop --470,000 bu against 767,000 bu last year; and shipments ctually exceeded receipts. So we must assume that the visible tocks will soon decrease. So far this week there was only a slight ncrease at Kansas City, Duluth and Minneapolis amounting to 231,000 u. Stocks of No.2 red wheat here in public elevators are now ,647,000 bu, and another cargo of over 200,000 bu of wheat was reeived here today and after same has been unloaded the wheat stocks n Chicago might be close to 10 million bu. This is a very large uantity of wheat to carry without any carrying-charge, and the endency was to sell December and buy May wheat, which took away a ood deal of the premium for the December created the last few days. e still believe that unless the demand for cash wheat improves aterially between now and the close of navigation the deliveries n December contracts will be quite heavy. Should this be the case t is not impossible that December wheat might go to a discount.

At the close the market showed an advance of 3/4¢ per bu. comared with yesterday.

Ever since the Secretary of Agriculture announced his plan to ermit farmers to increase their hog production, bull sentiment in orn increased considerably, as the tendency naturally will be to use ore corn for feeding animals. Whether under the circumstances our resent crop can easily be absorbed, it is difficult to answer at the resent time. Much will depend upon the weather, as of course conumption increases when weather is extremely cold. Also it should ot be lost sight of that other feeding material is quite plentiful his season.

Trade in oats and rye lately has declined to as low a quantity s 500,000 to 600,000 bushels a day. Today again the interest was at minimum, with fluctuations hardly worth recording.

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CHICAGO November 7, 1935.

The wheat market seems to be in a rut at the present time. luctuations are unimportant and the range during the last two weeks as hardly been two cents per bushel. We see no immediate prospects f a change for sometime. The domestic situation, which otherwise ould be strong, is entirely influenced by foreign conditions, mostly y Canada. It is like the sword of Damocles hanging over the market.

At the present time bonded wheat stocks at United States isible points alone are 26,674,000 bu compared with 13,397,000 bu a ear ago. Spring wheat millers in the East, therefore, do not feel he necessity of laying in large stocks of our own raised spring wheat efore the close of navigation, because any part of this bonded wheat s available for their milling requirements provided they are willing o pay the duty.

Any time Canadian futures decline the cash wheat naturally fol-ows and reduces the prices at which this imported wheat is available. oday was very clear proof of the immediate influence on sentiment ere when Canadian futures opened rather weak. Otherwise the trade as prepared for a somewhat stronger market with Liverpool reporting igher prices, with a rising stock market and no pressure from domestic ources.

The close at Liverpool showed an advance of 1/2 to 5/8¢ per bu. he strength there was largely influenced by small estimated Argentine hipments of 1,837,000 bu compared with 4,188,000 bu the year before, howing that the effect of the small remaining stocks of the old crop s finally felt. However the feeling was somewhat modified with Black ea shipments of 1,952,000 bu versus 80,000 bu last year, so that the otal of these two foreign reports after all means only a decrease of 479,000 bu compared with the preceding year.

There is some falling-off in Canadian marketings, and farmers' eliveries today were only 743,000 bu against 936,000 parallel date n 1934. It is possible that the bad weather has something to do with t; but the probability is that the bulk of the crop has been moved y this time. The weekly outgo is hardly any larger than the new receipts, and so far no cut has been made in the large stocks previously ccumulated.

Our own primary receipts are rather small, being 715,000 bu oday. While they are larger than those of last week when 682,000 bu ere reported, when the figures are analyzed it must be taken into onsideration that today's receipts include a cargo of Eastern wheat hich was brought here, being an extraordinary movement; without same he other points received but small amounts.

At the close the wheat market showed a decline of 3/4¢ per bu. he weakest future was the December wheat, which was caused by heavy iquidation. We believe the trade is now appreciating that with approximately 10 million bushels of wheat here, with no immediate demand for the red wheat, that elevators are not likely to carry their tocks for five months without receiving some pay in the way of carrying charge. This thought influenced the July wheat, as it is not improbable that a similar condition may exist next May. While at the resent time the July is selling at a discount of approximately 7 1/2¢, inally, if there is no scarcity of wheat in May, this difference might isappear entirely.

Trade is extremely light, and with the strength existing in the tock market, with no sensational happenings in wheat in sight, the olume of transactions in all futures of wheat yesterday declined to bout 12 million bushels.

The corn market showed weakness. At present it remains a weather proposition, as the movement depends entirely on whether lower temperatures set in soon so that farmers can market this cereal to ood advantage more freely.

Oats and rye were badly neglected, with hardly any fluctuations orth while recording.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

November 8, 1935

While it may be tedious to point out repeatedly that our price level will depend largely upon world conditions, yet it must always be remembered that every fluctuation from abroad affects Canadian prices. They in turn influence ours. Naturally, as we are on an importing basis for spring wheat, and as the quantity which Canada can spare depends very much upon the total amount of her exports across the ocean, any declines in Canada must sooner or later have a similar effect here.

So far the Canadian situation has not yet been relieved. As of November 1st, after allowing for a normal year's home consumption, there was available, for export and carryover, 346 million bus. of wheat compared with about 324 million bus. in the same period last year. This quantity of wheat was all in sight with the exception of possibly 73 million bus. which are still supposed to be in farmers' hands. The actual exports from August 1st, to November 2nd, or for thirteen weeks, amounted to only 50 million bus., including approximately 10 million bus. shipped to the United States. This is less than 4 million bushels a week, and unless the rate of clearances is accelerated, it will not do the work to bring about a sound foundation.

Therefore, when our session opened this morning with weaker foreign cables, and with a foregone conclusion that Canada would follow more or less, we had an immediate decline of about one cent per bushel. Gradually during the session speculative buying became more active, based partly on a fairly strong stock market and the belief that business in general will soon show further recoveries, thus indirectly affecting sentiment regarding values of commodities. The close showed an advance of 1/8 to 1 1/8¢, the strongest future again being the July one. We still believe that there will be sufficient wheat here next May, when delivery time comes around, to bring about either a great narrowing between the two futures or possibly even a carrying charge.

Primary receipts were 731,000 bus. compared with 700,000 bus. last week; but this again included a cargo of 218,000 bus. which came to Chicago via lake from Buffalo, thus indicating plainly that the normal movement to terminal points is very moderate. Stocks at Kansas City, Duluth and Minneapolis so far show only a small increase of 68,000 bus. Therefore, we believe the visible supply next Monday might show a considerable decrease, as at many places millers are compelled to draw from terminal points for their supplies.

Precipitation during the summer months, starting with April and ending September, was very much better this year than last year in Kansas, which state will remain the most important with about 30 per cent of the total winter wheat acreage, averaging 20.8 inches compared with 20.2 normal and 13.1 last year.

After the advance from the low point had once started, shorts covered quite freely, the close being practically at the high point of the day. However, we have no faith that any bull movement will develop unless it comes from abroad.

Corn movement is still light, primary receipts being only 420,000 bushels, actually less than last week when they were 665,000 bushels. Until receipts are much more liberal, prices may be maintained; but later on we doubt whether the price will not look high when once stocks start to accumulate.

There was very little interest shown in either oats or rye, although the latter showed quite an advance.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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W YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

UHLMANN GRAIN COMPANY
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141 W. JACKSON BLVD.
CHICAGO

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WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

Nov. 9, 1935.

The grain markets still remain very uninteresting. Each day, in a certain sense, is almost a repetition of the previous one. Opening prices are largely influenced by cables, and chief fluctuations take place overnight, although smaller adjustments occur during the day. In the long run, changes remain highly unimportant. May wheat last Saturday closed at 98¢, so the net decline for the week amounted to 1 1/4¢ per bushel.

Liverpool wheat futures at the close were practically unchanged, Foreigners paying no attention to our late advance of yesterday.

Shipments from the Southern Hemisphere continue at a very liberal rate, and it is now claimed that Argentina may still have about 26 million bu of old-crop wheat left; so clearances from that country during the next seven weeks are likely to be quite fair. In any case there seems to be no urgent demand for the Canadian wheat; as days, weeks and months go by with no greater hopes that Canada will be able to solve her problem and rid herself of accumulated carryovers from previous years, the situation becomes less encouraging as far as the price level is concerned. This particularly so as both the Northwest and Southwest have again been favored with additional moisture. The Northwest had wonderful snows, with more predicted; and while the western third of Kansas is still very dry, the ulk of the winter wheat states seem to have a normal crop outlook at present. As we have pointed out repeatedly, when spring comes around the new crop prospects will become more important than anything else since there is a reasonable assumption now that old supplies of wheat will be sufficient for all purposes both here and broad.

The primary movement today was 617,000 bu compared with 683,000 last week, and about 500,000 bu less for the week than in 1934, or close to four million bu versus 4 1/2 million bu last season. Stocks t terminal points, however, decreased considerably in the Southwest, particularly at Kansas City, so far this week being 436,000 bu. The only places which we think will show big increases in the visible upply on Tuesday will be Minneapolis and Chicago. We are inclined o believe that the visible will show a moderate decrease from 77 illion bu, which were the supplies last Monday. This, when compared ith the largest visible figures ever reached, on September 4, 1931, f 236 million bu, shows that all the factors which brought about he extreme depression are gone and probably will not be repeated.

However, it is a different question whether we shall be able to nywhere near maintain the $1.00 price level for wheat in the future nless we obtain more help fromEurope.

At the close the wheat market was 5/8¢ per bu lower than yester-ay.

The open interest is declining slightly, as some liquidation s going on in the December future right along. For that month it is till 34,641,000 bu, and we believe that after the middle of this onth more realizing will take place, which might temporarily have an dverse influence on prices.

The milling demand is just about normal, and premiums are fairly ell maintained, especially for the hard varieties, which are and will emain extremely scarce for the balance of the crop year. High proein wheat is still commanding fancy premiums.

The corn market was largely influenced by more wet weather here, hich will delay the movement. Present prices are very reasonable nd satisfactory to the farmer, so we may anticipate that with colder eather supplies will be more plentiful.

The trade in oats yesterday was only 1,338,000 bu, in rye 30,000 bu, and today we believe it was even less. Therefore as long s no more interest develops we can only expect the smallest fluctuaions possible.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO Nov. 12, 1935.

The wheat market is badly in need of a new stimulant to break the late monotony as daily fluctuations have been trifling during the last few weeks. While the tendency in general was downward, the total decline was very moderate. For a long period opinions and hopes were very much divided on account of the uncertainties of the yields in the Southern Hemisphere. At this time practically everything is known about the total production of wheat in the world. The crops in the Northern Hemisphere have been made and harvested a long time ago; and those in Argentina and Australia are so far advanced that no very great surprises are in sight.

In the meantime expectations have run high that Europe this year would become a much more aggressive buyer than during the last season, or at least would import as much. Stocks had been greatly depleted and crops were not uniformly good; in fact, much reduced in some of the larger countries such as France, Spain, etc. However, the contrary has happened and this week begins with world clearances of only 10,647,000 bu compared with 12,429,000 similar week in 1934. Up to date for practically 4 1/2 months, world importations were only 163,756,000 bu against 196,424,000 bu parallel period last season, or a deficiency of 32,668,000 bu. This figures for 19 weeks since July 1st, only 8 1/2 million bu per week, and probably these foreign purchases are in smaller quantities than during the last decade, or possibly for over 20 years. Consequently the weakness in wheat prices must be entirely attributed to the lowered consumption. Therefore in spite of the fact that the great evils of our big carryovers have been partially corrected, and this year's crops in the main were not satisfactory in quantity and quality, it was not sufficient so far to maintain a dollar level for our wheat. If our supposition is correct, the great desire abroad to become as self-sufficient as possible, buy as little as possible, for financial and foreign exchange reasons, it looks to us as if further declines were in order.

We are not independent of the balance of the world, as there is no scarcity in this country, although the domestic situation is reasonably strong. Importations from Canada will prevent our having an entirely different level. As long as Liverpool wheat is selling about 14¢ per bu under ours, and Argentine futures more than 25¢ below ours, we are in a vulnerable position.

Today's cables were again extremely weak, futures declining from 1 5/8 to 1 3/4¢ per bu since last Saturday.

The domestic movement shows a falling-off, and primary receipts for three days were only 896,000 bu, which compares with 596,000 last week when there was no holiday between. However, the visible supply increased 213,000 bu, with a total now of 77,514,000 bu versus 98,048,000 bu in 1934; or 20,534,000 bu less.

On July 29th last year the visible supply exceeded that of this year by 80,547,000 bu. However, the difference has been gradually reduced; and as we predicted some time ago, we would not be surprised if at the end of this season the visible supply would be as large, if not larger, than last year. This is based on the assumption that, including our probable importations, there will be almost as much wheat left in the United States this year as a year ago, but it will be located entirely differently. The Pacific coast will have less, farmers probably will have less, and country mills will not be disposed to carry large quantities over with the excellent prospects for the new crop, so the balance may have to be carried by speculators and appear later at terminal points. In this connection we wish to point out that Chicago stocks are still increasing and are now 9,988,000 bu against 6,593,000 the previous year, or almost 3 1/2 million bu in excess. It is mostly red wheat, and unless a better

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demand develops than exists for same at the present time it is quite possible that when next May approaches there will be plenty of wheat left in elevators for delivery, in which case the premium existing now between May and July wheat might disappear.

There were additional rains and snows both in our Northwest and Southwest, with the exception of the dry area in the furthest part of the Southwest. This will improve soil conditions and crop prospec materially, and as the season progresses, unless the situation changes it will be a very important factor in price-making next sprin

Canadian wheat exports this week were much the same as same period last year, being 4,197,000 bu compared with 4,309,000 in 1934. But as the visible supply is still 265 million bu against almost 250 million a year ago, it does not seem as if that country wou be able to carry out its aim, and reduce the previously accumulated surpluses to even moderate proportions. This, particularly so, as it is estimated that about 69 million bu of wheat are left in farmers hands which will gradually come forward before another crop moves.

At the close the wheat market showed a decline of 1 to 1 5/8¢ per bu compared with Saturday's close.

The rains all over the country are no doubt retarding the corn movement; primary receipts were only 817,000 bu for three days against 873,000 bu for two days a year ago when the crop was smaller. As we have pointed out frequently, much will depend upon weather conditions how soon our small visible supply can be increased. At the present time it is down to 2,156,000 bu whereas last year it was 54,713,000 bu. Corn showed independent strength early in the session but when wheat became so weak it sympathized with it, and the final figures showed unchanged prices for the deferred future and 5/8¢ per b higher for the December.

Oats fluctuated but little; rye reflected the weakness in wheat and closed lower.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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CHICAGO MERCHANTILE EX.

CHICAGO November 13, 1935.

Both Liverpool and Argentine futures again declined very sharply. The May future at Liverpool closed today a trifle under 81¢, which is the lowest point since trading in that future has taken place. The total decline since yesterday was 1 7/8 to 2 1/8¢ per bushel. Naturally such extreme depression could not be ignored here. Prices at the opening of our session showed an immediate break of 1¢ per bushel, from which there was only a slight recovery, the net change since yesterday being 3/8 to 1 1/8¢ per bushel lower. Broomhall explains the weakness abroad as due to the great pressure from both Argentina and Australia.

Considering all the bad news we have received of late regarding the smallness of the crops in the Southern Hemisphere, it was unlikely that anybody should have predicted such a state of affairs would occur. We are still under the impression that it is not so much the burdensome supplies in the exporting countries which bring about these unsatisfactory situations as it is chiefly the fact that the importing countries have no longer the absorbing power they used to have. This is partly due to the increased acreages, but more so to economies and a consequent reduced consumption.

Unfortunately, although we are no longer an exporter, and therefore need not meet the extreme low prices of the other exporting countries with whom we would have to compete, nevertheless we are indirectly affected because Canada is willing to make such concessions that even with a 42¢ per bu duty, she is providing us liberally with just the kind of spring wheat which is short in the United States.

It is reported for the week ending November 2 importations took place for consumption amounting to 1,600,000 bu, making a total since July 1 of 12,207,000 bu on which duty has actually been paid. We still believe that the maximum importations will not continue at such an excessive rate as during the week mentioned, but if a total of 50 million bu were to come into the United States, it would increase our supplies sufficiently so that probably our carryover on July 1 would be much the same as this year.

Some traders were also scared for fear that the new, contemplated treaty with Canada for greater interchange of products and reduced tariffs might also bring about a lowering of the tariff on wheat. This, however, although we have no information on this point, seems to us as most unlikely. We cannot imagine that any Administration which has done so much for the farmer and gained his good will, would be willing to encourage increasing importations of Canadian wheat, while at the same time it is discouraging to production of this cereal in this country.

Our domestic situation is developing as we had expected. Primary receipts are getting lighter, being only 555,000 bu, while shipments were 952,000 bu. In fact the receipts would show up much smaller did they not include the arrival of a cargo of Canadian wheat at Chicago, amd deducting the quantities so received it would show that farmers' sales are getting very light.

The premiums in the Southwest are keeping up very well and the hard wheat variety has very little competition. It is different as far as spring wheat is concerned, as this is being replenished from Canada; also the red wheat seems to remain plentiful and is comparatively difficult to accomplish sales in large quantities. The results are clearly shown in the stocks at the various terminal points of the largest hard winter wheat markets: Kansas City has only 15,307,000 bu compared with 23,563,000 bu parallel week in 1934; Omaha 4,919,000 bu vs 7,804,000 bu last season. On the contrary

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Chicago, which is a red winter wheat market, has stocks of 9,988,000 bu compared with only 6,593,000 bu the previous season. This becomes important for the final price level as naturally wheat which is least wanted is likely to be delivered on contracts. This, we believe, is the reason why December wheat which sold one time at a big premium over the May, is now selling at about 1¢ per bushel discount, fair to heavy deliveries of soft wheat being anticipated on the second of December. On the same reasoning, if there is no material change when May comes around, and should the soft wheat still be in reasonable abundance, there might be a carrying charge between May and July; while at the present time the latter future is selling at a discount of 6¢ per bushel.

Farmers' marketings at Canada are showing considerable falling-off, being for Monday and Tuesday 1,001,000 bu vs. 1,807,000 bu the previous year; but as the stocks at all other points are so very abundant it has no immediate effect, and the Canadian market also declined with all the others.

The corn market declined somewhat in sympathy with wheat. Primary receipts were larger, being 558,000 bu versus 330,000 last week. The colder weather naturally will bring about increased receipts.

Oats were practically unchanged; rye was independently strong and advanced, while the other cereals declined.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO November 14, 1935.

A complete reversal of sentiment took place overnight, occasioned by the Canadian government's estimate of a total wheat crop of 273 million bu compared with 275 million in 1934. This was a reduction of 16 million bu from the last estimate. As supply and demand figures are more closely adjusted this season than for many years, this additional reduction, with so many exporting countries having poor crops, made quite an impression. Liverpool responded immediately and their futures closed from 1 5/8 to 1 7/8¢ per bu higher than yesterday. We naturally followed.

It is always difficult to arrive at accurate figures on wheat yields in any country, and as many times under-estimates have also been made by the Canadian reporting bureaus, we should not be surprised if this would be the case now. The reason for this conclusion is that the estimated yield of 273 million bu would leave only 256 million bu for the three western provinces, and as a general rule about 50 million bu never leaves the farm, therefore, only 206 million bu were left for farmers' deliveries. So far up to date 155 million bu have been sold, so there would remain only 51 million bu to be marketed from now on, assuming the estimates are correct. At this rate Canadian marketings would be smaller for the next 8 1/2 months than for any year since 1928-29, as follows: (From November 8 to July 31.)

1928-29 - 177 million bu
1929-30 - 55 " "
1930-31 - 100 " "
1931-32 - 96 " "
1932-33 - 132 " "
1933-34 - 81 " "
1934-35 - 69 " "

Furthermore, the figures as given indicate a much smaller crop for the three provinces than last year, but so far marketings were heavier. There is no special inducement for the farmer to sell his crop, as he has a guaranteed price. All this, of course, is only a private opinion, and as the governments have better sources of information than we have, we are not in a position to dispute their conclusions and the world will accept their figures.

We also wish to point out that on basis of the above figures average farmers' deliveries from now on would be only 235,000 bu for every business day. Today they amount to 730,000 bu.

There was an additional reason for the strength abroad; namely, very small estimated Argentine shipments of 1,470,000 bu against 3,985,000 last year. There is only a slight offset in larger Black sea shipments amounting to 1,096,000 bu versus 336,000 bu a year ago. However, these small clearances naturally bring another thought to mind, and that is a further confirmation of the extremely small consumptive demand in Europe, particularly on the Continent.

We have repeatedly pointed out that under normal conditions there would be no over-supply of wheat, but great economies are being practiced on the Continent and a permanent improvement in prices may only be reasonably anticipated whenever this changes and more liberal purchases are made by importers.

The primary movement here continues to be light, 687,000 bu compared with 715,000 bu last week. Today's receipts of 233,000 bu of Canadian wheat are included in this figure; so after deducting this amount the actual receipts from farmers' sales would be very small. Stocks at Kansas City, Duluth and Minneapolis show an increase so far this week of 242,000 bu, indicating that our large accumulations are a matter of the past. As probably some of the millers in the interior will have to draw on accumulated stocks, we anticipate a moderate decrease in the visible supply on Monday.

At the close the wheat market showed an advance of 1 3/8 to 1 7/8¢ per bu. We believe that in order to obtain a still higher level we shall need continued encouragement from abroad in the way of higher cables and increased purchases. Otherwise, in our opinion, it will be difficult to maintain present levels.

The weather is more favorable for a heavier corn movement, but so far receipts are very light, being today only 358,000bu at all primary points. The corn market did not make a particularly good showing today considering the strength in wheat, although it did advance some.

Rye and oats were largely neglected, but somewhat higher in sympathy with the sister cereals.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO November 15, 1935.

Liverpool wheat cables were a trifle higher before our session opened, but finally lost all of the advance. In fact, the December wheat, which is the nearest future was 5/8¢ per bu lower than yesterday. Argentine also was considerably weaker.

However today the domestic situation was the dominant factor. Bakers and consumers, who have been holding back for some time in their purchases, suddenly came into the market on a very large scale, and rather heavy flour sales were made. Naturally millers had to cover their purchases either by removal of hedges or by buying cash wheat at terminal markets. This cash business was much brisker than for some time. The chief orders, we believe, were for spring wheat flour, although the Southwestern mills shared in same to some extent.

Were it not for the ever-threatening Canadian importations, a much more bullish feeling could be created here. At one time today there was a rumor that under the revised reciprocity treaty with Canada, a certain quantity of seed wheat would be permitted to come into this country at a lower tariff than the 42¢ per bu now existing; and during mid-session it caused a moderate decline.

The great strength in the stock market is a sustaining factor, as many of the buying orders are coming from the East in the belief and hope that speculation finally will go into wheat the same as it has in stocks and cotton. This, of course, would be more likely if there were anything sensational in sight to create the hope for much higher prices next spring. At present the moisture condition in the winter wheat belt is reasonably satisfactory, and as time goes on the new crop outlook will be the most important item as long as there is no scarcity either here or abroad.

Australian shipments this week were quite heavy --2,802,000 bu compared with 1,198,000 last year; Argentine, 1,169,000 bu versus 3,985,000; but it appears to us as if total world shipments would not be more than 9 or 10 million bu. It is this continuous lack of foreign purchases, particularly from continental Europe, which invites caution.

Fortunately the Canadian situation is improving to some extent, although we would not consider it as being on a very sound basis as yet. Farmers' deliveries are falling off, today amounting to only 528,000 bu against 823,000 the previous season. The detailed report of the quality of this year's wheat crop as given by Canadian authorities is also very bullish: namely, No's 1, 2 and 3 grades, which is good milling wheat, amount to about 138 million bu; No's 5 and 6, which also can be used but chiefly through mixtures, amount to 66 million bu; and 52 million bu are feed wheat, making the total for the three provinces 256 million bu, as reported recently. If it were not for the fact that practically all the old wheat which was carried over, about 214 million bu, was of extraordinarily choice quality, the matter would be more or less serious. However, taking further into consideration the fact that it is the aim and purpose of the Wheat Board to dispose of their holdings at reasonable prices, the shortage of good quality in this year's growth may not be severely felt.

Primary receipts of wheat here for the first time have fallen below the half-million mark, being 467,000 bu today, while shipments were actually larger at 475,000 bu. Last year's receipts at terminal points were 731,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net increase of 73,000 bu, indicating a pretty fair decrease in the visible supply on Monday.

At the close our wheat market was 1 1/8¢ per bu higher to 3/8¢ per bu lower --the latter on the July future. However outside markets did not act in full unison with ours; Minneapolis, where a big flour business was consummated, was the strongest and closed 3 1/4 to 3 3/4¢ per bu higher, while Kansas City was comparatively the weakest, gaining only 3/4¢ per bu.

About 300,000 bu of red wheat were worked out of Chicago. This, however, we understand, is not a regular grade of wheat, but of much better quality, higher protein and can be used for mixing purposes with hard wheat. Therefore, no implication that there will be a general run on Chicago stocks of wheat.

Primary receipts of corn are increasing, today amounting to 593,000 bu whereas a week ago they were 420,000 bu, and a year ago 312,000 bu. With this tendency for a heavier movement, it will be difficult to boost prices very much. The advance today was only very trifling considering the strength of wheat. Oats and rye did not profit from the strength in the other cereals, and closed about unchanged to a trifle higher.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO, November 16, 1935

Foreign markets are not very impressive. While Liverpool closed 7/8¢ a bushel higher than yesterday, this rise did not correspond entirely with our late advance after their market had closed. Also when we look at the actual price we find that Liverpool December future is selling at 88 1/4¢, or about 8 1/4¢ under ours, and May wheat is selling at 83 3/4¢, or 13 1/4¢ under Chicago. Consequently we must assume that those who are compelled by the nature of their business to watch every market in the workd are not much impressed with the prospect of a generally higher level. Otherwise, they would not sell the further deferred futures at such discounts; they probably are attaching much importance to the near approach of the early movement in the Southern Hemisphere.

Broomhall reports that early threshing returns in Australia continue to show a satisfactory quality, and that the weather is favorable for harvest. Their sales will affect the quantity which will be taken from Canada, and we often expressed the view, which we still maintain, that finally Canada will determine the price of this season's crop. Next year the yields in the United States will again become a notable factor. In the meantime the less Canada ships across the ocean, the more she will have available for the United States, and as long as spring wheat remains as strong as it is at the present time, heavy importations and more hedging sales are in order.

So far Canada exported from August 1, 1935 to November 9, 1935, 58,400,000 bu. This includes 13 million bu imported into the United States for consumption, the balance being shipped overseas. At this

Figuring the crop at	-	273	million	bu	(rate exports for the year
Carry-over	-	214	"	"	(would be 213 million bu.
Total supplies of	-	487	"	"	
less	-	213	"	"	for export
Would leave on August 1, (next year)	-	274	"	"	
less	-	110	"	"	consumption
Prospective carry-over		164	"	"	

This would be too large considering that last year's crop was a short one, and might be very much greater next season. Therefore the only hope for higher prices can be realized if Canadian exports should increase materially. In the meantime farmers' deliveries continue to show a decrease in comparison with last year, being 636,000 bu today against 752,000 bu in 1934. However, up to date the total deliveries are still larger than they were last year.

Domestically there was not as great a milling demand today as yesterday, nor was there heavy short covering; consequently our market was rather inactive, with smaller fluctuations, and at the close was 1/4¢ lower to 1/2¢ higher, the latter on next year's crop, or the July delivery.

Primary receipts continue to be light, 521,000 bu versus 617,000 bu last week. Shipments were very heavy, 1,038,000 bu, the largest part being shipped from Duluth to supply the eastern markets before the close of navigation. Stocks at Kansas City, Duluth and Minneapolis showed a net decrease so far this week of 496,000 bu, indicating a fair-sized decrease in the visible supply on Monday. In all probability, however, it will not be as large as the parallel week last year when the decrease amounted to 2,438,000 bu.

The chief strength at the present time comes from purchases of eastern speculators who are encouraged by the continued firmness in stocks and cotton, and feel that speculation might enter the wheat market on a larger scale. This, we believe, will only be realized if more substantial reasons for legitimate advances enter into the picture. The fact, however, that the open interest has increased to almost 131 million bu is evidence of the growing interest in this cereal, but finally it must be backed up by good consumptive demand either here or abroad.

Corn was somewhat lower. Receipts are increasing, particularly here in Chicago, and premiums are also declining.

Trade in oats was very insignificant, with the smallest fluctuations. Rye declined considerably, heavy liquidation taking place in December future.

UHLMANN GRAIN CO.

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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO November 18, 1935

Canada had hoped that under the reciprocity treaty with the United States the tariff on feed wheat, if not on all wheat, might be reduced and, therefore, heavy short covering had taken place on Saturday at Winnipeg. This morning when the actual rates were published and when it was found that there was no change whatsoever on wheat importations to the United States, it was reflected immediately in lower prices at Canada, which in turn affected the Minneapolis market and ours. As long as spring wheat is commanding such high premiums, liberal importations no doubt will continue and prevent sharp advances here. Otherwise a reasonably strong domestic situation might have been created.

In the meantime, Europe does not seem to be one bit scared, even if 40 or 50 million bushels of Canadian wheat are diverted to the American market, that there will not be plenty left for all their needs. However, the smaller clearances from Argentina are being felt somewhat; and this week North American clearances were about one million bushels larger than they had been in 1934. Total world's grain exports were practically the same as last season, 10,133,000 bushels this season compared with 10,384,000 the year before.

Liverpool wheat futures closed from 3/8 to 5/8¢ per bushel lower. There is no particular pressure abroad and European stocks are quite moderate; on-passage there are only 27,400,000 bushels versus 36,464,000 a year ago.

After an early decline there was a fair recovery, the close being unchanged to 5/8¢ higher.

One of the chief constructive influences still remains the great strength in Wall Street stocks and cotton; also the feeling prevails among those not actually engaged in the trade that if business generally remains good, speculation, which frequently shifts from one commodity to another, will finally affect the major cereal.

Primary receipts are quite light, being 661,000 bu, which quantity is small for this period of the year. No comparison can be made with last week when there was a holiday; but we are convinced that the farmers' movement is decreasing gradually. The visible supply showed a decrease of only 988,000 bu compared with 2,348,000 bu last year; and the total is now 76,526,000 bu, or 19 million bu less than in 1934. No doubt the heavy importations of Canadian wheat are being felt in the visible stocks. Farmers' deliveries in Canada, however, continue to be light, 604,000 bu compared with 801,000 bu last year; but the actual accumulated stocks are so large that not much attention is being paid to the smallness of the new arrivals. Canadian wheat supplies in the east, at lakes and at the sea port alone now amount to 86 million bu. Under the circumstances, eastern millers are not compelled to bring down lots of U. S. spring wheat to Buffalo and the east before the close of navigation this season, as they had to in other years, because they can draw on Canadian stocks whenever they feel disposed to pay the duty. Unless the Canadian government has greatly underestimated the crop, we figure there should be only 49 million bu of wheat left in farmers' hands which, if evenly distributed during the next nine months, would make the daily sales extremely small.

The greatest strength was in December wheat which finally sold about 1/4¢ premium over our May wheat; but we still believe that either on the first of December or after close of navigation, deliveries will be quite heavy as long as there is no carrying charge. Inasmuch as outside markets were all weaker than ours, we doubt whether present values can be maintained.

Fluctuations in corn were comparatively light, although primary receipts are showing great improvement and amounted to 1,361,000 bu compared with only 226,000 bu last year. Should the weather continue to be favorable, permitting heavier accumulations, we think it is doubtful whether present prices can be held.

Oats and rye were largely neglected and fluctuations were unimportant.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

November 19, 1935

Early quotations at Liverpool were weak, probably in sympathy with declines in the Argentine. There were recoveries, however, of a fractional character but it seems that foreign markets are not making much headway and May wheat in Liverpool is still selling for 84¢ per bushel. Therefore, there seems to be no anxiety as to future supplies.

Apparently the whole world is imbued with the fact that a change of policy is necessary in Canada before the wheat situation is entirely clarified. It is generally recognized now that the carryovers in Canada for the last three years averaged 212 million bu of wheat. This is entirely too much for a country having a population of ten million persons consuming not more than 120 million bu of wheat annually, including seed requirements.

Going back to the period from 1921 to 1926 inclusive, we find that the average carryover in Canada for six years was slightly less than [illegible] million bu, and in our opinion as time goes on they will have to return to more or less of a normal policy than has prevailed of late. This becomes all the more necessary when we further study the world's wheat carryover going back to 1925 when it amounted to only 528 million bu and has grown progressively greater almost each year until recently it reached the high point of 1,141,000,000 bu. This has meant that shipments to European countries have grown smaller, and apparently the various remedies which almost every country tried in an effort to help the farmer have not proved a success.

It was just a year ago at this time that both Argentina and France were making great efforts to sell their surplus supplies while Canada was holding back. This year the story is different because France no longer has a great surplus problem and Argentina is confronted with a poor outlook. It is Canada, however, the outstanding country with unusually heavy supplies, which prevents a higher level from being obtained in world markets. We believe that this is the reason the more deferred futures at Liverpool are selling at such discounts beneath the nearby months.

As far as our own country is concerned, we are not suffering from any new hedging pressure, and undoubtedly our market would be in a position to respond now to the removal of hedges were it not for the fact that we too will probably be called upon to import further large quantities of spring wheat, thus augmenting to some extent our own deficiency.

After a slightly lower opening, prices firmed up in all pits, mainly due to advances which took place in corn. The wet weather is probably delaying the movement to market and although clearing skies are looked for within the next twenty-four hours, nevertheless shorts became nervous and buying which was attributed to eastern interests took place; and the December corn was helped mostly by this buying. It had its effect also upon wheat, final prices being about 1/4¢ higher than the previous close.

Primary receipts were only 378,000 bu, or a trifle larger than they were a year ago. Stocks at Kansas City, Duluth and Minneapolis show an increase of 74,000 bu. We presume from now on the visible supply will diminish, but probably on a smaller scale than occurred a year ago.

Bradstreet's shipments from North America were somewhat larger, 4,350,000 bu compared with 3,218,000 bu last week; but the total since July 1st is still about 14 million bu smaller than it was about a year ago.

There were reports here that sales had been made to Buffalo of some choice red wheat from this market; but to offset that, 500,000 bu of wheat were sold locally to go to store. We believe that there will be enough tenders during the month of December to finally create discounts for the December delivery.

(OVER)

As stated above, corn was influenced almost entirely by the large buying orders which came into the pit; but if we should get a week of dry weather, we doubt whether the strength will be lasting.

Oats and rye were neglected and were firm here following the strength in the Chicago market, overlooking the weakness in Minneapolis and at Winnipeg.

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DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO November 20, 1935.

The feeling carried over from yesterday was quite bullish. After our market had closed, prices at Buenos Aires advanced rather sharply, although an analysis of the situation showed that most of the strength was in the November delivery, which should be more or less ignored since that future is about to expire and fluctuations the last few days are often meaningless, depending upon shippers' ability to make tenders. In any event, this, together with a slight improvement in the United Kingdom's demand for actual wheat, as well as the sale of some Australian wheat to Japan, brought slightly higher quotations from Liverpool this morning. Best prices, however, were not maintained as Argentina also reacted due to good rains, in southern sections of that country, which it is claimed are still in time to improve late crop prospects.

We have contended for some time that the domestic situation was in itself strong this year following the drought of last summer, which gave us practically the third crop failure in succession. Actual supplies this year are again below domestic requirements and would undoubtedly give us a considerably smaller carryover on July 1st were it not for importations from Canada already consummated in addition to those still in sight, to augment our own deficiency.

As of November 15th, total Canadian stocks, outside of those in transit or in farmers' hands, amounted to 263 million bu, which is 10 million bu greater than for the corresponding period a year ago. It is true that the clearances recently have been improving; but we believe this is due to the policy of the new administration in trying to get back to a more normal basis. During the past three years Canadian crops have been rather small, but in spite of that condition not much progress was made from year to year in getting rid of the large carryover surpluses. One would have thought that with the drought in this country, and the restricted acreage, which had produced crops below our domestic requirements, that Canada would have taken advantage of such a situation instead of holding back supplies. While our own flour and wheat exports had shrunk next to nothing, Canada should have made the most of this opportunity; but on August 1st last year the carryover was scarcely reduced from the figure of the previous two seasons. Undoubtedly the new administration having inherited the heavy load, with which they had nothing to do, will see the picture somewhat more clearly, and will try to distribute supplies through export channels. It must be apparent to them that the acreage in the United States is sufficiently large so that under normal conditions, we shall have an exportable surplus next season. There is also a likelihood that the Southern Hemisphere countries next year will produce better. Therefore it behooves Canada to reduce her stocks greatly before next year's competition becomes heavy. Furthermore there is the foreign situation to be considered, because European countries in their attempt to become self-sustaining have taken smaller quantities from exporting nations. This, together with bad financial conditions in buying countries, would suggest the necessity of trying to make headway with sales. And such a policy we believe will be pursued.

Primary receipts were rather light, 428,000 bu today against 340,000 a year ago. Shipments exceeded arrivals and amounted to 485,000 bu, whereas in 1934 they were 901,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net increase of 98,000 bu. Canadian marketings were 608,000 bu versus 655,000 last year.

Our market for the greater part of the day was rather inactive; further buying orders from the East did not seem to appear, and when local pressure of a small character developed there was a recession of a fractional amount. Prices then were held in the bids, which last night had sold very near to the closing figures.

Corn was influenced by clearing weather over the belt, and while some damage had been done to quality during the prolonged wet weather, we believe that if the movement enlarges, temporarily at least, prices will sell lower.

Oats and rye did not do much, and seemed to follow the lead of other grains.

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CHICAGO MERCHANTILE EX.

CHICAGO Nov. 21, 1935.

There was much more inspiration from abroad this morning, cables coming very strong and at the close the advance amounted to nearly two cents per bushel. This makes the price of May wheat in Liverpool 86 1/4¢, which is still low as compared to Winnipeg; but nevertheless it gave encouragement to traders both here and in Canada, with the result that broader speculation took place in both markets.

There is no doubt but that demand from abroad will improve from time to time, but we do not see anything permanent either in Europe or in this country if the Canadian wheat is finally sold more freely than at present. There were intimations today that changes were being contemplated in the Canadian wheat board, and that the policy would still remain the same in respect to not dumping wheat, but at the same time they would look for foreign outlets, which is only a natural conclusion in view of the hoarded supplies which have accumulated.

Shipments from Black sea and Russian ports amounted to 1,760,000 bu this week, which was larger than the previous week, compared with nothing at all shipped a year ago. On the other hand, Argentine shipments are expected to be only slightly over a million bushels, which is about the same as last week. This was probably responsible for a better feeling abroad with the Liverpool market extremely narrow and the advance was easily attained.

There is still the fear that something might overtake the Argentine crop which is very vulnerable to crop scares, and while last night's rains, according to Broomhall, must have done much good to wheat growing in the South and Southwest where it was becoming dry, traders are watching that situation more closely because of the early damage already sustained.

Primary receipts today amounted to 459,000 bu compared with 308,000 last year. Shipments were 621,000 bu which was actually more than the arrivals, and compares with 794,000 a year ago. So far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of 174,000 bu.

As far as the wheat market is concerned, we do not see any reason to change previously expressed opinions. The strength was due almost entirely to the strong cables, and this of course might change very quickly, which would also influence us in the way of reactions.

The demand for red wheat from this market is very poor and on the whole we think most of the mills in surrounding territories are better able to get their supplies without taking delivery on December contracts. Therefore we are inclined to believe after close of navigation December wheat might be in poorer demand than at present; and instead of a premium for the nearby delivery, we are inclined to anticipate discounts.

There was reported the sale of 100,000 bu of red wheat to Duluth. There has been a fair amount of this business lately, but we understand just the very best grades, probably to be used for mixing purposes. However we do not think that this will alter the situation here where stocks are still very large.

Up to November 9th total importations of wheat from Canada on which duty had been paid, amounted to 14,378,000 bu. This is in addition to the bonded wheat which is located at Eastern points, and on which duty could be paid very easily if our prices advance out of relationship with Winnipeg. Country marketings in Canada today were 603,000 bu against 701,000 last year; at that rate we are inclined to believe that the last estimate of the Government might be somewhat too low.

Corn was influenced from time to time by the sharp advances of wheat, although clearing weather prevented any big upturn from taking place, and the final prices are not much different from those of the previous session.

Oats and rye followed in the main sympathetic trends of wheat, although lack of buying power in oats failed to give that market any very definite trend.

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CHICAGO MERCHANTILE EX.

CHICAGO November 22, 1935.

Small shipments from the Southern Hemisphere imparted further strength to the Liverpool market this morning. Argentina had shipped about as much as was expected, but Australia furnished only 1,193,000 bu., which was considerably smaller than last week and also about one million bushels less than last year.

As a partial offset to this news, Broomhall claimed that much cooler weather prevailed in the Argentine and the outlook for the new crop continued to improve. He also thought that estimates for next season's surplus would be raised; and the general opinion at Buenos Aires now is for a minimum surplus of 75 million bu. In view of this, best prices in Liverpool were not maintained and slight reactions took place just before their close.

While it is a foregone conclusion that the Argentine crop is much smaller than a year ago and that free shipments might possibly be delayed until the middle of January, one should not lose sight of the fact that Russia is an important factor this year; and since August 1 total wheat shipments from southern ports have amounted to 18,384,000 bu versus 2,568,000 bu a year ago.

We have felt for a long time that certain readjustments would have to take place. In Canada for instance, the nearby positions are selling at discounts under the deferred, while in Liverpool it is the reverse; and certainly there can be no surprise in any possible readjustment where Liverpool May wheat from a level of 87 3/4¢ would gradually gain on the distant futures in Winnipeg so that finally the same relationship will prevail as does now for the December futures.

The main trouble abroad still seems to be under-consumption. Of the 29 European countries reporting, not including Russia, total wheat crops this year amounted to 1,546,191,000 bushels, which is only about 11 million bushels greater than last year; but in spite of that fact total world shipments are about 17 million bu smaller than for the corresponding period of 1934. We presume that financial conditions are largely responsible for this; and for the business which has been miseed so far it is not likely that it will be made up as time goes on.

Primary receipts today were much the same as a year ago--485,000 bu; shipments amounted to 723,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 96,000 bu. Canadian marketings were 745,000 bu, while a year ago they were 585,000 bu.

There is no change generally in the domestic situation. The recent moisture has done much to relieve the situation, except that dry weather, according to the Modern Miller, continues in western sections of the winter wheat belt.

The new pressure is very light, as receipts to terminal markets remain small, and this is one of the factors which will probably help to sustain values on extreme weakness.

As our session progressed it became apparent that the same enthusiasm which prevailed yesterday was lacking today, and a few realizing sales found the market rather poorly supported. Closing figures showed a decline of 1/4 to 5/8¢ per bu.

Corn, during most of the session, was inclined toward weakness; even when the leading cereal advanced it was apparent that cool, clear weather was the dominating influence. The cash basis was steady to 1/2¢ per bushel lower, but trade in the pit was generally light.

Oats and rye did not change materially. A great many people feel that rye has merit, being cheap as compared to both corn and to wheat. The fact of the matter is that while this is true, the last crop was evidently ample for all purposes. We raised in this country 52 million bushels this year against a failure crop a year ago of 16 million bu; also the Canadian crop was 8 million bu greater than in 1934. Therefore it seems difficult to attract much speculation in rye unless there is a much greater improvement in the demand.

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CHICAGO MERCHANTILE EX.

November 23, 1935

Liverpool was rather indifferent this morning. They were not quite as weak as had been expected following our reaction, but seemed to be influenced more by Canadian prices; therefore no surprise had been created in either direction. However, before our session opened, Argentine prices were reported very much higher and while their level was still the lowest of any country, some attention was given to it on part of speculators.

Broomhall in his early estimates considers it likely that the Southern Hemisphere will export in 1936 about 160 million bushels, and of this total will have a surplus for Europe alone of roughly 80 million bushels, while for this season these countries have exported 145 million bushels to Europe, so that quite a deficiency exists. On the other hand, Canada could easily make up the difference as it is not at all necessary that she continue to carry over at the rate of 200 million bushels each year; and we think that the importing world is fully cognizant of these facts.

It was just about a year ago that France had learned a very valuable lesson; and in fact most governments that have artificially held up the price level have experienced likewise. She was left with a surplus of about 73 million bushels, but came to the conclusion that it was better to take a loss than to jeopardize the next year's price when the farmer wanted to market his grain. We believe that Canada, which country is in a position to take care of any urgent demand that might arise from abroad, will also pursue the same policy. As the visible supply up there is about as large as it has ever been, that country will be greatly benefited by the shortages which exist this year in other countries.

As far as the United States is concerned, we are on a domestic basis this year and, in fact, have even imported, roughly, about 17 million bushels from Canada, so that our price level for the time being depends largely upon the action of the Winnipeg market. It is unthinkable that we should go up to any great extent unless Winnipeg would follow, bearing in mind that there would not be any sharp break in the premiums which are now being paid for spring wheat.

Primary receipts today were 420,000 bushels compared with 372,000 last year. The movement from the country is not particularly large and yet there was more grain marketed this past week than was the case a year ago. So far stocks at Kansas City, Duluth and Minneapolis for the week show a net decrease of 336,000 bushels.

The main feature in today's trade was inspiration from strength in the Argentine coupled with a better stock market following yesterday's decline. Also toward the close there was a rumor of friction between France and Italy. In view of the fact that only a small amount of hedges are coming to this market makes it rather easy to bring about advances, and shorts become easily scared. We can see, for the time being, the possibility of advances of a couple cents in wheat, but then there is always the question of whether or not Canada will break away. In any case, we are not inclined to anticipate any very high level of prices under existing conditions.

Other cereals were naturally benefited by the advance in wheat. Corn was just slightly higher, but the action of this market indicated that better weather was a factor. The cash premiums were somewhat lower, and the primary movement is getting fairly well under way. Since November 1st, over 13 million bushels of corn have come to terminals, which is almost twice as much as last year and about the same as two years ago.

UHLMANN GRAIN CO.

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CHICAGO MERCHANTILE EX.

CHICAGO Nov. 25, 1935.

Liverpool cables were again very strong this morning, May wheat in that market closing about 89¢ per bushel. This, we believe, was largely due to small world shipments, which were just in excess of 8 million bu and 2 million bu smaller than last week, and also smaller by the same proportion than those shipments of a year ago.

This all goes to show the light European consumptive demand, and inasmuch as North America furnished only 3,501,000 bu, it also demonstrates that Canada is not doing her share at the present time. Maybe later in the season a greater demand will spring up for Canadian wheat, but it is surprising how inactive Europe has been since the crop season started.

Up to November 22 country deliveries in Canada have amounted to 161 million bu. If there is added to this figure 50 million bu, which ordinarily is used on the farms, it makes a total of 211 million bu. The last crop estimate suggested a production of only 256 million bu, and on that basis the balance to come forward from farms is only about 45 million bu. There are still 36 weeks remaining until another crop is harvested, and at the rate of daily marketings we are almost inclined to believe that the crop was under-estimated. From this time forward a year ago 67 million bu came from the farms to terminals where marketings were not running much larger than they are at the present time.

The feeling here was rather bullish, partly due to the sharp advance which took place last Saturday, and there was encouragement from abroad in which the Argentine market also participated, although to a smaller extent.

Despite the recent improvement in Liverpool, we feel that it will be important to watch the action of prices in Winnipeg.

Imports of Canadian wheat for the first four months were about 16 million bu, and if continued at that rate we would have to absorb over 60 million bu of their grain. It was reported that the import business on Saturday was rather heavy and with our market advancing out of proportion to Winnipeg, we assume that millers in the East were in a position to take on additional quantities in spite of the 42¢ per bushel duty.

As the session progressed, selling came into the wheat pit presumably from houses with Eastern connections. Possibly it is their feeling, as well as with other traders, that a dollar is still a pretty fair level under existing conditions. We maintain that if imports finally are as great as the deficiency in last year's crop, that values will finally depend largely upon next year's production. It is too early for one to have any definite convictions because the winter wheat will have many obstacles before a harvest and the spring wheat has not even been planted; but according to the acreage of winter wheat sown, after three years of crop failures, one is fairly safe in assuming that we might have a normal crop. If we are then confronted with a surplus over and above home requirements, we will naturally have to see what other exporters are getting for their grain, and all of them are considerably beneath our present parity.

Primary receipts today amounted to 633,000 bu versus 568,000 bu last year. The visible supply of wheat decreased only 160,000 bu, while a year ago the shrinkage amounted to 2,415,000 bu. We are catching up rapidly, and the deficiency as compared with 1934 is only about 17 million bu; this tendency will probably continue.

Final quotations showed losses of 1¢ to 1 5/8¢ per bushel.

Corn also showed a rather easy undertone. Weather on the whole was rather satisfactory, and there were no new developments. The visible supply increased 562,000 bu; but the total is still extremely small --2,786,000 bu. Inasmuch as stocks from the last crop are almost entirely depleted, it will take some time to build up reserves. Last year the total stock was in excess of 50 million bu.

Oats and rye were somewhat lower following the trend of the other cereals. The supply of oats seems to be adequate for all purposes, and the visible supply at about 45 million bushels is just about double of what it was the previous season.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCANTILE EX.

CHICAGO November 26, 1935.

Liverpool showed a distinct turn this morning after having been strong for several sessions. May wheat in that market broke 2 1/2¢ per bushel, and is now selling back to 88 5/8¢ per bu. According to Broomhall, the sudden weakness was attributed to the lack of millers' demand and to cheaper Argentine new crop offerings. He also claims that the U.K. is now well supplied with cheap Australian wheat for arrival in February, which will carry millers until the new Argentine wheat comes forward in March.

Time passes very quickly, and before long the chief factor will be the outlook for next year's crop. This is already being discounted at the present time with our July wheat quoted at about 8¢ per bushel under the May due to good prospects at present. The fact of the matter is that after three crop failures in succession, the land must have had good restoration of its natural resources. Soil, like any other element, becomes exhausted after it has given freely of its vitality. And conversely it must be true that after a period of rest yields are apt to be more abundant if other factors are favorable.

Overnight rains in many places were about the best that we have had in months --possibly in years. The Panhandle of Texas was favored with fine moisture; in some places as much as 1 1/2 inches; and it even extended this time to western sections of Kansas, which up to now had been more or less neglected. Our Hutchinson office advises us that last week on a drive from that point westward, the plant was in excellent condition and was being pastured. An elevator man at Hooker, Oklahoma, had told him that there was more wheat planted than in four years; and now with last night's rain everybody feels very optimistic about next year's crop.

As we have mentioned previously, that while Nature is provident, it is far too early to predict the outcome of a crop in November, but we would say that according to the law of averages one would at least look for normal production considering that the plant has had a good start. If we are correct in these premises, then one would ask the question, "What effect will this have upon old-crop futures?" The answer is that if stocks were to be completely depleted there might not be any relation between old and new-crop futures. However, with importations, both actual and prospective, we do not think that such an analogy can be made. Commercial stocks in store and afloat at leading domestic points show 82,007,000 bu of wheat, which is a reduction of 17 million bushels from a year ago. This is in about the same proportion as our visible supply; but with stocks decreasing at a slow rate we believe that finally our visible will be bigger than the previous season, and that consequently there will be no shortage at the end of this crop year.

Should this conclusion be borne out by fact then we regard it as highly unlikely that any elevator will want to carry wheat from this crop into the next, being fully aware that a big loss is staring him in the face and that cheaper supplies will be available with just a little patience. Likewise millers will permit their stocks to dwindle to small proportions, and, therefore, finally the burden will be upon the speculator to such an extent that in our opinion May wheat will eventually sell at the same price as July.

Primary receipts made a fairly good showing today, being 481,000 bu as compared to 221,000 bu last year. Shipments, however, were heavy, at 640,000 bu, although they were greater a year ago. So far this week, stocks at Kansas City, Duluth and Minneapolis show a net decrease of 203,000 bu. According to information on the broad tape, the decrease of 2,588,000 bu in stocks of bonded wheat at Buffalo in the last week, indicates that eastern mills paid duty on that amount of Canadian wheat, and that the grain will be milled for domestic consumption.

Final prices were about 1¢ per bu lower than yesterday. Towards the last there was a little buying against bids.

Corn held pretty steady considering the break in wheat. Fair bookings were reported to Chicago. There was not much feature to this market except some changing transactions from December to May took place at about the same price. The forecast for a return of wet weather was a factor, with some buying by locals of the distant months.

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DAILY MARKET LETTER

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CHICAGO

MEMBERS:
MINNEAPOLIS CHAMBER OF COMMERCE
WINNIPEG GRAIN EXCHANGE
DULUTH BOARD OF TRADE
KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

November 27, 1935

There was little feature to the Liverpool market this morning, final prices being 3/8¢ per bushel higher than yesterday. The fact that steadiness has prevailed in the Argentine has probably been an influence abroad, although there is reported a resumption of French offers at prices one shilling per quarter lower,(equivalent to about 3¢ per bushel.) Broomhall comments on this fact, claiming that the French government has decided to let go for export an amount which will leave a safety balance of 20 million bu in that country, should there be a deficiency in crops next year. He goes on to say, however, that inasmuch as the 1935 crop was somewhat below requirements, it is not felt that there will be any large export business from this time forward; but it simply shows that France has learned her lesson and will no longer permit the hoarding of supplies beyond domestic requirements.

There was no particular news of importance except the overnight rains over most of our winter wheat belt, which at least assures a satisfactory start for the plant. Reports from seeded areas are quite optimistic about this change of events and while too much importance should not be attached to this news at such an early date, at least it augurs the possibility of more normal prospects next year compared with our several recent crop failures.

Since August 1 world shipments destined for Europe have been about 15 million bu smaller than a year ago, and to ex-European countries about 3 million less, but the latest private estimates of the wheat crop received from the Argentine suggest that only 160 million bu will be raised, providing an exportable surplus of possibly 75 million bu. The crop is still late in many districts and weather during the next few weeks will determine yields, but in any event little pressure will be exerted upon world's markets from that source, particularly as compared with a year ago, as Argentina has been quite a factor and during the past forty-seven weeks has shipped 139 million bu of wheat and flour, including 43 million bu to Brazil and other non-European countries. We have called attention to the fact that in some small measure Russia would make up for a part of the deficiency. In the past sixteen weeks she has shipped 18 million bu of wheat against only 3 million bu in 1934.

It finally behooves Canada to furnish the bulk of the import requirements and her total visible stocks this week, including those at the eastern American seaboard, amounted to 259 million bu, which was about 5 million bu greater than at the corresponding period a year ago. Were it not for Canada one might reasonably assume a more bullish attitude here in this country, but the threat of further imports is still a factor.

Primary receipts today were 605,000 bu compared with only 219,000 bu last year. Shipments were 317,000 bu versus 747,000 bu in 1934. So far stocks at Kansas City, Duluth and Minneapolis show a net decrease of 363,000 bu.

Canadian marketings are keeping up quite well and were 691,000 bu yesterday compared with 507,000 bu the previous season.

There is still a large open interest in wheat amounting to slightly over 126 million bu, but it seems that very little new buying is coming into the market. From time to time hedges are removed, furnishing some support, but without more speculative demand we feel that it is difficult for the market to make headway and should any of the larger holders decide to sell, the tendency will undoubtedly be lower.

Final prices showed a decline of about 1/4¢ per bushel compared with yesterday on the active futures. Winnipeg was about the same amount higher.

Corn was influenced somewhat by wet weather. Present receipts are fairly good and the cash price for higher grades of corn was steady; but poorer grades were 1/2 to 3/4¢ lower. It seems that around 60¢ per bushel, with feeds of all kinds rather plentiful, it is also difficult to stimulate buying of this cereal.

Oats and rye did not vary much and interest in the latter two pits was extremely small.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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NEW YORK COFFEE AND SUGAR EX.
COMMODITY EXCHANGE INC.

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MEMBERS:
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WINNIPEG GRAIN EXCHANGE
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CHICAGO MERCHANTILE EX.

Nov. 29, 1935.

Ever since final estimates on wheat yields in the Southern Hemisphere could approximately be made, making world production and consumption no longer a rough guess, fluctuations in wheat had been very small. Chicago May wheat closed on October 31st at 98¢, today it closed at 98 1/2¢, therefore, hardly any change. The intermediate fluctuations were only a little over 6¢ a bu. The range would not have been even as wide as this had it not been for occasional war scares and other outside influences. We always have our greatest variance in price levels during the periods of the growing crops when great uncertainties exist as to the ultimate results. We have no doubt that the same will occur this spring, and that probably the outcome of the winter wheat yields will be paramount, provided no abnormal weather should exist at that time in Europe.

It is, therefore, very important in our opinion that during this week the entire state of Kansas has received, according to a well-known authority, Mr. H. L. Robinson, of Kansas City, the most general rainfall in a long time, varying in amounts from one-half inch in the extreme west to as much as one and one-half inches in the eastern sections. While the wheat crop must pass through many difficulties, a good start in the fall considerably lessens the possibilities of failure. Certainly after three crop failures, according to the law of averages it would not be surprising if the 1936 wheat crop would be very much larger than the preceding ones.

In the meantime the Liverpool market shows great indifference, despite the very small shipments at the present time from both Argentina and Australia. These two countries together promise to clear this week only about 2 million bu compared with about 4,800,000 bu in 1934. A small part of this is made up by Russia and the Danubian provinces, Black sea shipments being 1,192,000 bu against 144,000 last year. Of course it is more than likely that Canada will be called upon for larger quantities, but nevertheless continued smaller weekly world shipments compared with last year indicate a decided under-consumption abroad.

To illustrate the importance of Great Britain in the whole picture, we wish to point out that during August, September and October Canada shipped abroad 67,890,000 bu of wheat, of which 50,646,000 bu went to the British Isles. Out of her flour shipments during the same period of 1,273,000 barrels, a little over half, or 663,000 barrels also went to Great Britain. Therefore the price level in Liverpool will at all times affect Canada, which country with her large surplus cannot maintain an independent position, particularly not now, when she is in a selling mood and anxious to get rid of her large accumulated supplies.

There is no change in the domestic situation. Milling demand is rather poor, but this can easily be explained by the fact that with the uncertainties of whether the AAA act will be maintained or not, or whether the processing tax will continue, there is no inducement for consumers to lay in large stocks. It is not likely that this will change until the Supreme Court gives its decision, which is expected to come out about January 13th. Whatever it will be, we think it can have only one result: namely, an increased demand for flour. Should the processing tax be declared to be unconstitutional, of course, the price of flour will decline for consumers. If it is maintained, the uncertainties will be removed, and millers will carry their normal supply of wheat.

Today(s action of the market we believe was largely brought about by more war scares, headlines in our news papers being rather

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sensational in this direction. At first little attention was paid to this new fear, but when stocks commenced to decline, and when it was reported that foreigners were selling securities our wheat market advanced sharply. At the close there was a gain of 1 1/4c per bu compared with Wednesday's session. Short covering from the East was heavy.

Primary receipts of wheat for two days were very moderate-- about 778,000 bu, and shipments were actually larger-- [illegible] bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 578,000 bu, indicating a moderate increase in the visible supply next Monday.

Trade today was extremely light, and largely confined to changing operations. We still believe that there will be very fair sized deliveries on December contracts, if not on the first of the month, at least soon after close of navigation.

Corn was rather weak for the December future, and a little higher for the May. Receipts are commencing to be quite large. Local industries are less anxious buyers, and there is plenty left for accumulations on part of elevators. 100,000 bu were sold to go to store today, and no doubt in due time deliveries will be made on December contracts. Weather is such now that we may look forward to a good movement as long as favorable conditions exist. Total primary receipts for the two days were 1,457,000 bu compared with only 341,000 a year ago. Rye was strong in sympathy with wheat, and trade in oats continues to remain neglected.

[illegible] GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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MEMBERS:
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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

CHICAGO November 30, 1935.

As we have pointed out repeatedly Chicago temporarily has ceased to be the leader in making world prices for wheat. The United States is no longer an exporter, but is on a strictly domestic basis; for the time being is an importer, and has to be reckoned with as such, like all the other consuming nations, which this year have not raised sufficient quantities for home requirements. Of course, theoretically, and in case of absolute need, we would have been able, without any suffering, to supply our wants, but it would have been at the sacrifice of quality of our bread, as there is a decided shortage of choice wheat, particularly in the spring wheat belt. Also for all practical purposes we could not permit our stocks to run down to a minimum. There never was a year when farmers sold every bushel of wheat they raised, and then, of course, millers and consumers always carry at least one month's supply, or more, into the next crop. In anticipation of this, importations have been necessary and probably will continue during this season.

Assuming that the United States will purchase from Canada approximately 50 million bu of wheat, we shall be in a very comfortable position at the beginning of the next crop, or on July 1st. Roughly speaking, a crop of 600 million bu which we raised, and 50 million bu additional imports, will give us 650 million bu, or a year's consumption. Naturally every bushel which comes into this country from Canada is in effect the same as increasing our crop to that extent.

Should these conclusions be correct we are liable to have a carryover at the end of this season of approximately 150 million bu, the same as in 1935, and with a normal crop in 1936, we shall be compelled again to dispose of our surplus; our price level after July 1st will depend entirely upon the price which importing nations.will pay, unless there should be Governmental interference. This could be done through either subsidies on exported wheat, or through purchases by Government agencies, in which case there would be two different price levels --one for home consumption and one for shipments abroad.

Therefore it is well to bear in mind that July wheat is still selling at 7 1/2¢ discount under the May, and that finally a readjustment might have to come between these two different futures.

Liverpool wheat cables today showed a sharp decline, they paying no attention to our late advance of yesterday. The political situation also improved; it is even supposed that peace negotiations are going on, and that the Ethiopian war may not last as long as was expected and will not lead to any international conflict. This necessarily brought about considerable liquidation here, and buying power was very limited. The covering of short wheat yesterday made the market very vulnerable, and at the close there was a decline of 1 1/8¢ per bushel compared with the previous session.

Primary receipts continue to be light, 400,000 bu, although for the week they were much the same as the preceding one --2,832,000 bu. However, as shipments were almost as much, or 2,502,000 bu, we anticipate a fair-sized decrease in the visible supply, which will compare with a very small decrease a year ago. World shipments probably will be very small: Australia, Argentine, Black sea countries and others shipping only 3,048,000 bu against 4,608,000 last year. As only Canada has to be added, it is not likely that a figure high enough will be reached for normal weekly requirements of importing nations.

The extreme indifference on part of Europe in view of the light contributions of most countries can only be attributed to the fact that they are looking forward to great possibilities of laying in larger supplies from Canada.

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Farmers' marketings in Canada are still very heavy, averaging daily during the week between 600 and 700,000 bu. Total marketings for the season have been so heavy that, according to statistics, only 41 million bushels are supposed to be left for the balance of their crop year, or for eight months. Of course it is unbelievable that the amount in farmers' hands should be that small; therefore, it is apparent that the Canadian crop must have been largely under-estimated Last year after this date 64 million bu of wheat were shipped to terminal markets.

It is to be hoped that with the low price of Liverpool May wheat --86 1/8c, that further sharp declines there are not very likely. However, as there seems to be plenty of wheat available for all purposes, there is nothing in sight on which to advise a bull position. Final prices in Liverpool will depend, of course, upon the outlook of the crop in 1936.

There were no tenders of wheat today on December contracts, so there can be no deliveries next Monday.

The corn market was weak. Receipts are more than consumers' needs at the present time; therefore elevators will gradually accumulate stocks, and probably will make heavier deliveries later in the month.

Tenders on rye were very heavy, depressing the market and widening the difference between the nearby and further deferred futures.

December tenders on oats were also large, and depressed the price.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO Dec. 2, 1935.

Our news papers this morning carried the impression that prospects for an international conflict in Europe were increasing. It seems to us if the tension between Britain and France on one side, and Italy on the other were actually growing, with no immediate prospect for peace in sight for Ethiopia, that foreign grain markets would respond to this news. Reports went so far as to state that English Naval Officers were being called to the colors. We remember distinctly a period of a month or more preceding the world war when every day our wheat offerings to Europe were accepted. We could not understand the urgent demand at that time, but later, of course, we found out that those countries which had expected a war not only provided the necessary munition, but also food stuffs. Therefore if England, in addition to calling reserve officers for service had also bought wheat in anticipation of the possible event, the trade would have taken more notice. Liverpool futures, however, actually opened lower before our session started and closed from 7/8 to 1¢ per bu lower than Saturday's final figures. The trade immediately became discouraged, and a sagging tendency prevailed during the whole session.

Outside of the war news, there were also legitimate reasons for foreign markets to show greater strength; world shipments were extremely small --only 7,374,000 bu compared with 10,134,000 last year. Up to date, for five months, importing nations have taken 37 million bu less wheat than in 1934. Practically every exporter suffered accordingly, with the exception of Russia and the Danubian countries, which nations furnished larger quantities than during the previous season, but North America, Argentina, Australia and other countries had to be content with a lesser demand. Fortunately for Canada, she had a new customer this year on account of a short crop in the United States; and while she shipped about 18 million bu less abroad than last year, it is to be assumed that an equal quantity was purchased by us, but it was naturally expected that she would do much better in Europe, and it must be a great disappointment that her accumulated stocks cannot be disposed of faster.

We have reluctantly come to the belief that the reduced demand from Europe is no temporary affair, but that it is likely to continue at least for the balance of the year. We only anticipate a permanent change when greater prosperity will prevail abroad, or when the high tariffs now existing in many countries are reduced so that the purchasing power of all classes can be increased. As long as present conditions last we see no hope for an improvement in prices; while no great sudden declines are in sight, we shall probably have a draggy market until we finally reach a point where importations from Canada will stop. For the present, however, Winnipeg is reducing her selling offers almost as fast as we are, which makes the whole situation rather discouraging.

Primary receipts of wheat were only fair, 833,000 bu, while shipments were 862,000 bu. The visible supply showed a decrease of 932,000 bu, against a decrease last year of 539,000 bu. The total is now 75,434,000 bu versus 32,746,000 a year ago. In former years we had always figured that after close of navigation the visible supply would decrease approximately to the amount which was being exported. If the same rule holds good now, with importations instead of exportations we might not see very great changes during the next four months. Should this version be correct, then there would be no good reason to anticipate that our May wheat would remain at a premium over July; the tendency already is for a narrowing, and same took place today.

There were no deliveries on December wheat contracts, nor were there any tenders, so that no deliveries are in sight for tomorrow. This, however, does not change our opinion that finally about 2 1/2 million bu might be delivered after close of navigation, if not before.

The milling demand just now is rather poor, and it may not be easy to sell large quantities of the soft wheat to good advantage. Therefore it is not sure yet that premiums still existing for the

December wheat over the May will continue during the month.

At the close the wheat market showed a decline of 3/4¢ per bu.

Primary receipts of corn are still large, although somewhat smaller than last week. The weather remains favorable for an extended movement; total receipts are 1,168,000 bu against 1,504,000 bu last week, and only 392,000 a year ago. The visible supply which had been down almost to the vanishing point increased 1,364,000 bu, amounting now to 4,150,000 bu, and is actually 44,429,000 bu less than in 1934 similar period.

Oats reached a new low point on the crop. Rye was heavily liquidated for the nearby future, and the difference between December and May widened considerably.

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DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

December 3, 1935.

Liverpool wheat futures were down rather sharply today, closing 5/8 to 1 1/8¢ lower, due to increased pressure from Canada and a very small inquiry for actual wheat.

There was further weakness also in the Argentine with the noon cable showing a decline of about 1 1/2¢ per bu, and February wheat in that market is currently quoted at only 67 1/2¢ which is certainly cheap in view of the fact that the Argentine crop this year is only a small one, and consequently quantities available for export are much less than in a normal year.

However, the fact is that foreign markets are way beneath our parity, and as long as such discouragement exists abroad we do not see how there can be much speculative enthusiasm on this side. It is very true that for the time being we are on a domestic basis, but futures markets have a way of discounting events long before they occur, and if we are faced with a normal crop next year which would give us a surplus for export, then it would behoove the speculator to also anticipate what the price level here would be in order to meet competition.

We have been recommending for sometime the sale of Chicago May wheat against the purchase of July, and so far this spread has shown a narrowing tendency. The difference at the moment is about 7 1/2¢, and will finally depend upon the stocks available for delivery on May 1st. We have at the present time 9,104,000 bu of wheat available. This compares with a lesser quantity of only 6,247,000 bu for the corresponding period a year ago. From December 3, 1934, to May 1, 1935, the shrinkage of these stocks was comparatively little and there still remained on May 1 of this year 4,332,000 bu in store. A year ago at this time the spread between May and July wheat was much the same as now --6 3/8¢ per bu, but by April 30 the premium for May wheat had vanished entirely; and just prior to the delivery date July wheat was actually selling at a higher price than was May wheat. Some will argue that conditions this year are different and so they are; but to offset a small crop which was raised, the factors of importations, and the early movement of Pacific Coast wheat to eastern sections eased the demand for wheat grown East of the Rockies. In conclusion we feel that there will be ample supplies here on May 1st of next year so that an even level of prices will prevail for the May and July futures of wheat.

Primary receipts today were 356,000 bu, which was somewhat smaller than last week, but compares with 208,000 bu a year ago. Shipments were very heavy --693,000 bu against 234,000 bu in 1934. So far this week stocks at Kansas City, Duluth and Minneapolis show a net decrease of only 83,000 bu. Canadian marketings were 507,000 bu, versus 325,000 bu last year.

Our market was rather a tame affair, and the easiness at the start was attributable to declines in foreign markets. However without any additional pressure and rather small receipts in the Southwest, recoveries took place, but the entire range of prices was small, and there seemed to be no spirited buying as might have occurred if there had been any sort of encouragement from abroad. There is certainly not much trend at the moment, but if any of the larger holders decide to liquidate their lines, we believe that lower levels are in order, particularly as there is a ceiling over us, and on very sharp advances we would again be in a position to import further quantities from Canada.

Corn was fairly firm during most of the session. The cash basis was quoted 1/2 to 1¢ per bu higher; weather is about normal for the time of the year. The movement, however, was delayed earlier, but apparently is about enough for present requirements.

Oats and rye were more or less neglected except for changing orders, which featured a good part of the trade.

UHLMANN GRAIN CO

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DULUTH BOARD OF TRADE
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FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCANTILE EX.

Dec. 4, 1935.

Liverpool recovered somewhat from yesterday's aharp decline, although best figures of the day were not maintained when it became known that the Canadian procedure was defihitely to dispose of the huge surplus stocks which had been accumulated during the past adminstration. The Canadian government announced radical changes in the marketing policy, stating that efforts would be made to keep wheat for sale at world's competitive prices. The Dominion government was quoted as saying that it desired to have its surplus restored to a normal basis, and to accomplish this the Wheat Board would seek the good will and co-operation of the grain and milling trades in all importing countries. While it had generally been assumed that this would be the case, and was probably discounted already in Liverpool where May wheat is selling for less than 85¢ per bushel, nevertheless it had its psychological effect both here and in Winnipeg with the speculative trade.

Canadian stocks at the present time are probably the largest for the season of the year that they have ever been. Exclusive of what is held in farmers' hands or in transit there were on November 29, 259 million bu of wheat in various positions, or 9 million bu larger than last year when the situation was already serious. Total world shipments since August 1st of this year were about 15 million bu smaller than the previous season, probably due to the fact that monetary conditions abroad are bad; and it is not likely that this deficiency will be made up during the remainder of the crop year.

On the other hand stocks in the Argentine are very moderate and the new crop about to come on the market is estimated by Broomhall to range from 150 to 167 million bu, which would compare with last year's actual yields of about 240 million bu. This being the case Canada has a very fine opportunity for accomplishing what virtually every government has had to do after artificial stimuli have failed; and although they will not pursue any "fire sale" tactics, we are convinced that it is their desire to change the policy of withholding wheat from world markets by exacting exorbitant premiums over their competitors.

As far as our own market is concerned it places a definite ceiling over us, because any sharp advances here, in which Winnipeg did not sympathize, would naturally invite heavier importations.

Outside of Canada there are no countries actually pressing supplies for sale, Russia continues a fairly steady but not a large exporter. The total shipments from that country in the past seventeen weeks being slightly in excess of 19 million bu versus a little over 3 million bu in the like period of 1934.

Primary receipts of wheat today were 700,000 bu compared with 195,000 bu last year. However included in these arrivals there were 303,000 bu of wheat in bond at Chicago shipped fromFort William. Shipments today were heavy --1,042,000 bu, while a year ago 1,226,000 bu;u were shipped. At this time of the year there is shifting of stocks prior to close of navigation. Country marketings in Canada are holding up quite well --500,000 bu today against 375,000 bu for same period of 1934.

As our session continued there was very little incentive for new purchases, and withWinnipeg practically leading the decline all day, more discouragement set in with small liquidating orders here in evidence.

The open interest is still quite large at 124 million bu, and we believe that the bull market which started sometime ago has gone stale, and that further selling will probably take place. The spread between May and July has narroed somewhat, and this tendency in our opinion should continue.

The milling demand remains extremely light, although demand in the Southwest was just a shade better. We do not imagine that any of the mills will buy aggressively until after the High Court hands down its decision one way or the other on the processing tax matter now pending.

Corn held comparatively firm. Primary receipts were 693,000 bu versus 307,000 a year ago. The weather is favorable now for husking, and farmers will undoubtedly remain active for several weeks trying to move a large part of their crop, probably due to the high moisture content, as they are naturally anxious to save shrinkage and possible damage. Rye was firm today, but oats suffered somewhat in sympathy with wheat, and deliveries seem ample to take care of current requirements.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

MEMBERS:
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KANSAS CITY BOARD OF TRADE
FORT WORTH GRAIN AND COTTON EX.
CHICAGO MERCHANTILE EX.

CHICAGO December 5, 1935.

Ever since the United States has been on an import basis for good quality spring wheat foreign market developments have become the dominating influence in the wheat price situation in this country. This situation has not changed any, and therefore a further decline in Liverpool wheat futures brought about similar concessions here. The close at Liverpool showed prices from 1¢ to 1 1/8¢ per bushel lower.

As the season progresses it is becoming more and more apparent that domestic supplies will be reasonably plentiful, and from all appearances we estimate our carryover next July to be very much the same as it was in 1935, or approximately 150 million bu. In arriving at this estimate we were guided by the various reports from the U. S. Department of Agriculture. They estimate wheat stocks in the United States on October 1st as amounting to 581,million bu, which represents a decrease of about 30 million bu from a year ago. Consequently importations of about that quantity would put us on an equal basis with the preceding season.

If our analysis is correct the logical conclusion would be that our future price level will continue to depend upon that of the balance of the world. The important factor then will be the Canadian situation. We think it is safe to rely upon the fact that the declared policy of the Canadian Wheat Board to sell its wheat when it can be marketed at reasonable prices without too great a sacrifice will be adhered to. However the task will be a very difficult one, and we doubt whether it can be accomplished without substantial declines in prices from the present level. Their statistical situation is very bad at the moment. Present supplies in all positions, as mentioned yesterday, except in farmers hands and in transit, are 259 millionbu compared with only 250 million bu parallel period last year. This is a very formidable quantity in a country whose home consumption is only about 110 million bu for twelve months; therefore leaving by far the largest share available for export. Durthermore we are inclined to believe that the crop has been under-estimated. The figures which were given as representing the probable yield were 256 million bu for the three provinces; total marketings up to November 29 were 166 million bu, and 50 million bu never leave the farm, which accounts for 216 million bu. This would leave only 40 million bu to be marketed from now on in thirty-four weeks to July 31, or about 200,000 bu every business day. So far this week they have been running ahead of last year, approximating 500,000 bu daily, and today again they are 483,000 bu versus 346,000 bu in 1934. Last year after this time 63 million bu were shipped and a little was left over. There would have to be a very sharp dropping off in receipts to convince us that the crop was not much larger than the latest figures given by the Government.

Argentine shipments, furthermore, are estimated to be only 1,360,000 bu this week against 3,586,000 last year. This ordinarily would have had a strengthening effect but it is offset partly by very heavy Black sea shipments amounting to 1,544,000 bu compared with only 96,000 bu the previous season. If France will be a heavier exporter, as we expect she will, in order to clean up her accumulated stocks, and with a reduced consumption in Europe, the call for Canadian wheat might not be very much greater than last season.

Speculation is discouraged by the steady declines of late, although they have been only moderate. This is evidenced by the smaller open interest, which is now 5 or 6 million bu less than it was at the top. There were no deliveries on tenders as yet on December contracts, but as everybody is aware that large quantities might be delivered after the close of navigation, it has not strengthened the difference between December and May wheat.

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Primary receipts continue to be light, 450,000 bu against 416,000 last year and shipments were quite heavy at 934,000 bu, but these latter are a cleaning up from Duluth where the last boats are bringing the wheat to Buffalo for winter consumption before navigation finally closes. These large clearances fromDuluth caused a big decrease in their stocks so far this week of 1,467,000 bu, but of course this wheat will appear later on either on the lakes or at Buffalo.

Weather in the Southwest was again very favorable, as showers and local snows have occurred during the past twenty-four hours over the Texas Panhandle, central Texas, Oklahoma and the far Southwest. Nevertheless the July future which ought to be more influenced than the others by the more favorable crop outlook continues to be the strongest, views gaining ground that the difference between May and July wheat is too wide, judging from past experience. We have looked up the records and find during all the years from 1929 up to last year, with the exception of 1931, May wheat finally sold at a discount under July. The year 1931 was not a normal year, as at that time the Farm Board had pegged the price at 81¢, while there was a free open market for the July future.

At the close the market showed a decline of 1/4¢ per bu on the active futures and 3/8¢ higher on the July wheat, compared with yesterday.

Corn receipts continue to be large --617,000 bu versus 249,000 bu a year ago. Deliveries are being made daily on December contracts, but yet the market keeps firm, confirming our previous views that it will take a long time to fill the various holes which had been created. Finally, of course, after this is done, with a reduced consumption, the market might sag lower.

Oats and rye varied but little; both of these cereals have been depressed to such a low point that there is no temptation for any short seller to venture on that side. On the other hand, supplies are too plentiful to invite heavy speculation.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO

December 6. 1935.

The sole new influence affecting the wheat price level today was the extreme strength at Liverpool, where futures closed at an advance of 1 5/8 to 2¢ per bu. The effect of this strength would have been greater had it not been for the reluctance of Canadian markets to follow this advance to any large extent, and at the close futures there showed actually a decline of about 1/8¢ per bu compared with yesterday.

It was reported that the Canadian Wheat Board had wheat for sale, which encourages us in the belief that they will pursue the opposite policy from that carried on by those who were in charge of the handling of wheat stocks last year: namely, they are taking advantage of every strong foreign situation, and when wheat is wanted abroad, instead of preventing a consummation of sales by raising their price immediately, they are meeting buyers. This is the only logical course to pursue if Canada is to get rid of her large accumulated surplus.

The firmness abroad was all the more surprising as the statistical situation was not particularly bullish. Australia actually shipped more wheat than last year, 1,581,000 bu versus 1,236,000 in 1934. Argentina cleared 3 or 400,000 bu more than was expected. The final figures for clearances this week from Russia and the Black sea, as well as the Southern Hemisphere, are 4,870,000 bu against 4,918,000 the parallel week in 1934. Therefore despite the comparatively small stocks left in the Southern Hemisphere and poor crops, the total clearances from those countries are quite impressive. It seems that world shipments last year were very small, only 8,322,000 bu; so with only fair contributions from Canada and sundry countries the prospects are for larger clearances this coming week than in 1934.

So far up to date from August 1 in seventeen weeks wheat and flour shipments to Europe were 15,364,000 bu less than last year, while the imports into the United Kingdom for fifteen weeks were only 758,000 bu less, all of which confirms our view that through the impoverishment in many of the Continental countries, consumption is below par, while the British Isles take the usual quantity. If this same tendency should continue during the balance of the year all previous calculations regarding the requirements of the importing countries will have to be revised.

Primary receipts are probably the smallest on the crop, only 270,000 bu compared with 773,000 bu last year. Shipments were 1,006,000 bu, chiefly fromDuluth, on account of only a few days intervening before the close of navigation and a great deal of spring wheat from Duluth is being shipped to Buffalo. The very light movement would also be a decided sustaining factor to prices, were it not for the fact that the milling demand at the present time is also very poor and, therefore, comparatively few hedges on part of milling interests are being removed. We believe that finally a better milling demand will develop as soon as the fate of the AAA is decided by the Supreme Court. In the meantime all consumers, as well as millers, are keeping close to shore. There never is a great deal of variation in our yearly flour consumption in this country and if the demand is dull at one time it has to be made up in the future. However, we expect that our carryover will be very much the same as last season.

There were still no deliveries on December wheat contracts, elevators evidently fearing that they might lose the wheat should it be delivered before the close of navigation. We are convinced that deliveries will come within a few days and are likely to have a depressing effect on the December future. If after the close of navigation our stocks in Chicago will be 9 million bu, it would be a very formidable quantity to market by rail during the next five months, until May delivery.

(OVER)

The winter wheat prospects continue to be very favorable, and owing to timely rains improvement in the dry area of the Southwest is also in evidence. While it is much too early to make any reliable estimates, yet in view of the increased acreage and the greater probability that dust storms and drought, such as we had last year, will not be repeated, it is safe to figure on much enlarged crop yields in 1936 compared with 1935. This ordinarily would be construed as very bearish on July wheat, but sentiment is gradually veering around to the view that should this be the case May wheat also might be too high; and there is quite a little spreading going on by way of selling the May and buying the July wheat. This gives the latter great strength.

At times the extreme strength in corn was a sustaining factor to wheat prices, but the final advance was only moderate, futures closing 1/8¢ per bushel higher than yesterday.

Receipts of corn are disappointing to those who had expected that the heavier movement which started two weeks ago would continue, and that it would even become still larger. However, this has not been the case, and there seems to be an excellent demand for all receipts at the present time. This caused the December future to gain on the May; and this cereal was strong during the whole session. Primary receipts today were 851,000 bu, which compares with 1,457,000 bu for two days last week, and only 310,000 bu for one day a year ago.

Trade in oats and rye is still on a very small scale. Total volume of oats handled yesterday was only 2,624,000 bu, and 352,000 bu of rye. These cereals profited slightly in price in sympathy with the greater strength in wheat.

UHLMANN GRAIN CO.

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Dec. 7, 1935.

Liverpool wheat cables were extremely weak today, futures there closing at a decline of 1 1/4 to 1 7/8¢ per bu. When our session opened, this gave traders their cue, and immediately there was a decline here of about 1¢ per bu from yesterday's final figures. However later Broomhall cabled that his agent estimates the 1936 exportable surplus for Argentina at only 51 1/2 million bu; and with a small carryover of about 3 1/2 million bu, it would mean a total of 55 million bu. This information came too late for foreigners, and might affect their operations on Monday. It naturally was discounted here at once, and there was quite a fair recovery from the lowest level reached, so that at the close our futures advanced 3/8¢ per bu compared with yesterday's final figure.

We certainly shall have to be prepared now for very light shipments from the Southern Hemisphere during the next six months, whereas ordinarily they supply a very large percentage of European requirements. Inasmuch, however, as Russia and France will partly offset the deficiency of Argentina and Australia, and as Canada is willing to furnish the balance, we hardly think there will be any undue excitement. While we have no positive information, and have only come to the conclusion by making the necessary deductions from farmers' deliveries at Canada, we believe that finally their crop might be 20 million bu larger than estimated, thus offsetting the Argentine reduction which has just been announced. Country marketings in Canada yesterday were 490,000 bu compared with 339,000 last year, and today 450,000 bu versus 395,000 a year ago, whereas they should be considerably smaller. On basis of all known facts farmers' holdings should be at least 20 million bu less than they were in 1934, assuming that the Government crop estimate was correct. Importations of wheat for consumption from Canada for the week ending November 30th, duty paid, were 856,000 bu against 752,000 the week before, thereby making it clear to Europe that there is a new competitor in the field for the Canadian wheat, not in existence in previous years.

All this again leads to the same deduction --that Canada holds the key to the whole wheat problem. If they carry out their intention of supplying the needs of all importers, there will be plenty of wheat for all purposes, and yet there will be a reasonable amount carried over for the next season, and more than is normally required.

Primary receipts of wheat here today were 510,000 bu compared with 400,000 a week ago, and 311,000 bu the previous year. For the week they were also larger --3,119,000 bu against 2,832,000 same week in 1934. However we believe that quite a fair quantity of Canadian importations are included in these receipts, as farmers' holdings, particularly in the Southwest, are extremely light.

There is still greater hesitancy on part of millers to make contracts ahead until the processing tax decision is out of the way. There were again no tenders today, but the close of navigation is near at hand, and during the next few days we look for deliveries of 1 1/2 to 2 million bu of wheat. In anticipation of this, December wheat was comparatively weak and lost about 1/2¢ per bu on the May.

Stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 2,297,000 bu, indicating a fair-sized decrease in the visible supply on Monday. This, we believe will prove to be the end of large decreases, as generally after close of navigation there are again accumulations at Minneapolis and Duluth; decreases at Buffalo will also be smaller than usual, as stocks there are much below normal. Evidently millers at this place figure they can obtain their supplies by taking wheat out of bond whenever they choose to pay the duty.

Corn was quite strong during most of the session, closing fractionally higher. Primary receipts are fair at 833,000 bu, but smaller than last week when they were 1,085,000 bu. The weather is not favorable for an increased movement.

Oats and rye continue to remain neglected, with small fluctuations.

UHLMANN GRAIN CO.

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December 9, 1935.

Today's market again demonstrated very clearly how difficult it will be to boost wheat values without any new constructive issues. Trade had been much encouraged by the late advance on Saturday, also by the comparatively strong cable today, Liverpool futures closing from 1 1/4 to 1 5/8¢ higher than Saturday. However after a slightly higher opening all the enthusiasm vanished; when it became apparent that Canada was a free seller, Winnipeg futures hardly responded and early declined below Saturday's prices.

The fact that North America shipped only 3 million bu during the last week, which was considerably smaller than the week before when clearances were 4,168,000 bu, but more than last year at 2,292,000 bu, probably accounted for the anxiety on part of Canadians to become more aggressive on the selling side. It is true that Broomhall confirmed the small estimate on the Argentine exportable surplus of wheat of only 55 million bu compared with 170 million bu the year before, but there is the offset of somewhat larger Russian shipments probably later on and it is quite clear that Canada might reduce her carry-over easily 100 million bu without suffering at all. Of course the shortage of the Argentine wheat crop is bound to be severely felt after the turn of the year. During January, 1934, they exported about 17 million bu; in the short month of February, about 18 million bu, and assuming that European requirements will be the same during these two months, it is imperative that Canadasupply a large part of the deficiency.

World shipments today were again very small, only 8,361,000 bu, virtually the same as in the parallel week of 1934, but the total takings of all importing nations since July 1 are less than 200 million bu, or about 37 million bu less than the previous season. When we consider the total takings for twelve months last year were 527 million bu and that an increase had been expected, there lies the greatest surprise and disappointment.

We find that so far the United Kingdom imported fully as much as last year, but the Continent is still lagging. But even in England there seems to be a tremendous under-consumption. Sir John Orr at this year's meeting of the British Association at Norwich, estimated that about 20 million people out of the entire population are spending too little on food to protect them against the dangers of malnutrition. In Poland it is reported that several hundred thousand school children have to be provided with at least one meal a day at public expense to prevent starvation. Similar conditions no doubt exist in many of the countries in central Europe; and even in the United States probably many people do not consume qite as much as would be the best for their health as they would if their pocketbooks would permit them to use a more liberal part of their income for this purpose.

We, therefore, may assume that a point has been reached when per capita consumption can no longer decrease, and with any kind of improvement in business a sharp increase in wheat and flour consumption should take place.

Therefore we believe a permanent solution to the farmers' problem for improvement lies in an increased demand rather than in further reduction of acreage and production.

Primary receipts were very light considering that they represent two days --only 504,000 bu, whereas last week they were 833,000 bu. The slight decrease in the visible supply of 282,000 was a distinct discouragement; in 1934 there was a decrease of 1,750,000 bu. Total visible now is 75,152,000 bu against 90,996,000 the previous season parallel week. There has been a gradual comparative gain caused through the heavy importations; and we believe at the end of the year the visible supply will be larger than it was a year ago. This is the reason why we still believe that May wheat will finally sell at a discount under the July. The open interest in December wheat is decreasing only slowly, but there was more liquidation today, with the nearby future comparatively the weakest.

Canadian farmers' deliveries are keeping up at a surprisingly heavy rate, today being 533,000 bu against 357,000 a year ago. For the week ending December 6th deliveries were 3,449,000 bu, and if the Government report is correct there should not be over 36 million bu of wheat left in farmers' hands. Such a low figure seems unthinkable to us; and we, therefore, someday expect to hear that their crop had been very largely under-estimated.

At the close our wheat market showed a decline of 7/8¢ per bu.

Corn receipts at primary markets were somewhat larger --970,000 bu versus 667,000 last year. The market showed weakness partly in sympathy with wheat.

Oats and rye were much neglected, and showed small declines in sympathy with the other cereals.

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CHICAGO December 10, 1935.

Today's strength in our market was largely brought about through the influence of higher Argentine cables, their market advancing by noon about 2¢ per bushel and having furnished higher quotations for several days now. However we do not consider it the best logic to pay too much attention to the Buenos Aires market. To start with, it is a very narrow one, easily influenced by small transactions; and furthermore it has been known for some time that their surplus will be very small--possibly in the neighborhood of 55 million bu, of which 30 million might go to Brazil and other non-European countries; so at best Europe might get only 25 million bu distributed over twelve months. Compare this with Canada --if she were to ship her last bushel which is available she would have about 375 million bushels for export during the twelve months from August 1 this year to July 31 next. Therefore it is good reasoning to pay more attention to the Canadian market rather than to the Argentine. Consequently we are more interested in the comparative weakness at Winnipeg where futures were unchanged compared with yesterday. This occurred in spite of the fact that a large export business was supposed to have taken place overnight. We believe that this will continue for sometime and replenish European stocks; but on the other hand will not have the tendency to make foreign markets very strong.

Canada so far has not changed her frequently expressed policy: viz., that while her surplus will not be dumped on the markets, they will be free sellers to willing buyers. In our opinion, this will hold prices in check, but will not necessarily bring about any sharp declines until possibly later on when the new crop outlook willbe the determining factor.

It is gratifying to us to see that the conclusions which we haved arrived at for some time and frequently expressed in our market letter as to probable carryover on this crop, are now also confirmed by such important authorities as Broomhall and Richard J. Mayer in Barron's of December 9th. They all now expect that our carryover on July 1, 1936, will be much the same as it was in 1935, which means plentiful supplies in the United States for the next six or seven months, all of course assuming that further importations from Canada will take place. Inasmuch as the winter wheat acreage sown is somewhat larger than last year, and as the moisture in nearly all of the winter wheat territory has been better than average, of course, the probability of a much larger crop than last year is in sight.

We expect very heavy tenders on December contracts either tomorrow or the next day --possibly 1 1/2 to 2 million bu, and as navigation is practically closed, we think it will be difficult to market this quantity before heavy storage, interest and insurance charges accrue. Therefore, it is likely to be a temporarily depressing factor.

Very little attention is being paid now to foreign war news, and the Ethiopian expedition is dragging along without arousing any concern or excitement. On the other hand, however, a new world event is likely to become very interesting. Next to gold, of course, silver still remains the most important metal, as more than half the people of the world use it as a unit for monetary purposes. Ever since our silver bill was put into effect, the United States has been the most aggressive buyer, and practically the only one on a large scale. The price had been steady right along, but all of a sudden we seem to have temporarily withdrawn as a buyer, although it is to be assumed that at concessions we shall be in the market. In the meantime, silver prices at Montreal declined 300 points, which is the full limit; in New York the market was not open at all; and similar uncertainties exist in London. The only immediate effect was a decline in silver stocks, which in turn influenced other values on the New York Stock Exchange. But a complete change in the policy

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of the United States regarding further purchases might have many direct and indirect results over all the world.

Primary receipts of wheat today were extremely light, only 286,000 bu, which was a sustaining factor at the moment, and compares with 356,000 bu a week ago and 599,000 bu last year. Nevertheless the decrease in stocks at Kansas City, Duluth and Minneapolis was only 13,000 bu.

We do not believe as yet that we have any reason to change our opinion that Canada will continue to make the price of wheat in our market for the present. Should we advance too much, importations would increase more than normally, and would bring about hedging sales. Trade is too light to absorb such new pressure which would occur.

At the close the market showed an advance of 7/8¢ per bu for the active futures, but July wheat did not follow, as the trade was impressed with the fact that the picture might be entirely changed should we raise a big crop in 1936.

The corn market was independently strong; receipts continue to be disappointing and premiums are firming up somewhat. Total primaries are only 528,000 bu against 838,000 the week before. Weather is more favorable for a movement, and we still expect that there will be a very heavy movement in January, as the amount of animals on feed remains rather small.

Oats and rye were both strong, not for any reasons of their own, but entirely in sympathy with wheat.

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CHICAGO MERCHANTILE EX.

December 11, 1935.

The wheat market acted today exactly as one would expect it to on a day when there was virtually no news from any quarter to influence previously formed opinions. Liverpool cables closed 1/2¢ lower to 1/8¢ higher. The nearby future was the weakest and it should cause no surprise that gradually the premium for the December over the March and May should disappear. This tendency has prevailed for a week or two.

The Winnipeg market which is so closely watched now hardly changed and not much was heard of new export business in large quantities, as yesterday Europe seemed to have supplied herself for some time, having been a heavy buyer.

Broomhall maintains his estimate of 540 million bu for importers' requirements this season, and he looks for Canada to ship as much as 284 million bu during the crop season. Exports up to November 30th amounted to only 68 million bu, leaving 216 million bu from November 30th to July 1st, next year. However we believe that in his figures he includes the exports to the United States, which will probably amount to 40 or 50 million bu during the season. Should he be correct and his anticipations be realized, Canada's position would be very greatly improved, and her carryover next August considerably smaller than last year and might not amount to more than 100 million bu. It will require continued heavy sales to bring about this result, but as long as there will be practically no serious competition from the Southern Hemisphere or any other exporter on a large scale after January 1st, the accomplishment of this task is not impossible.

There probably will be some surprise when the final result of this year's Canadian crop is known. Today's country marketings were again larger than last year 440,000 bu compared with 428,000 bu, and this we do not think could happen were farmers' receipts reduced to such a low point as the recent government estimate and shipments up to date would indicate.

Trade in Chicago at the present timeis extremely small and open contracts in wheat stay around 125 million bu. There were heavy tenders today on December contracts totaling about 1,900,000 bu; but they seem to have been taken care of very well, the December still maintaining a slight premium over the May. Whether the after effect will be greater when some of those who have paid for the wheat will find that it might not be as easy to merchandise it as they expected, remains to be seen.

At the present time milling demand is very poor with nothing to indicate that this will change soon, except the hope that when the law suits about the processing tax are decided, the low stocks of mills and consumers might be replenished. Fortunately, as an offset for the momentary lull in the milling demand, primary receipts are also very small, only 365,000 bu versus 700,000 last week and 182,000 last year the parallel day. Stocks at Kansas City, Duluth and Minneapolis so far show a small decrease for the week of only 110,000 bu and from all appearances the visible supply next Monday will show a very moderate decrease.

There is still great unsettlement in the silver problem over all the world, but it has had no effect on grain or commodity prices as yet. At the close the wheat market showed a decline of 3/4¢ per bushel compared with yesterday.

The undertone in the corn market remains very strong without much change in price. However, the basis of cash corn was from 1/2 to 1¢ higher caused by continued small receipts. Primary receipts were only 398,000 bu versus 693,000 last week. We still believe that with favorable weather there is likely to be a very much heavier movement in January, but it appears as if the demand would also be reasonably good.

Oats and rye were very much neglected, and prices hardly showed any change from the previous day's final quotations.

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CHICAGO MERCHANTILE EX.

December 12, 1935.

All the important wheat markets of the world seem to be in a rut at the present time; and the reasons for this situation may be so easily explained that we are afraid this condition may persist for some time. Starting with the premier market, Liverpool sent again today very indifferent quotations, reporting a decline in the various futures of 1/8 to 1/2¢ per bu. However the chief decline was in the December future which had been at a big premium over the deferred ones; so that a readjustment was in order. The indifference on part of English consumers is due to the fact that Black sea shipments were again very heavy --this week amounting to 1,800,000 bu compared with only 72,000 bu last year; estimated Argentine shipments of 1,400,000 bu are only slightly less than parallel week in 1934, and with Australia now offering her wheat in larger quantities, there is no prospect for any shortage. This particularly so as Winnipeg continues its same policy, and is both anxious and willing to supply European needs without pressing their holdings on the market. However as long as futures in Winnipeg are not advancing any, it is unlikely that all those countries which have to depend upon Canada for their supplies will boost prices on themselves.

Here in the United States, where domestically probably a very strong situation could have been developed, we are also at the mercy of Canada, as she has just the kind of wheat which is the scarcest in the United States. And as long as this can be obtained at comparable prices it does not appear as though our futures would advance very much.

We believe the milling demand in the Southwest showed some improvement today. We are advised by two millers, who made a trip through the Northwest, that farm reserves in the Dakotas and Montana are extraordinarily light. Also a miller who traveled through the Southwest trying to sell flour, claimed it was difficult to consummate any sales, although flour stocks were down to next to nothing. They are so light that moderate purchases of flour will have to be made between now and the middle of January, but he is looking forward to a tremendous demand as soon as the processing tax question is decided. It really would be foolish for a consumer to buy a lot of flour now and take a chance that he would have to pay the processing tax, whereas in a few weeks hence he possibly can make his purchases without it. The final decision will make a great difference. Everybody is awaiting it, and no matter what the outcome will be, after the uncertainty is removed there is bound to be a temporary heavy demand for flour.

Wheat deliveries on December contracts seem to have been well absorbed, and the largest holdings of wheat in public elevators are concentrated in just a few hands. This, in addition to more aggressive buying of this future, caused a widening between December and May wheat, which was a great help to the market. Final prices showed an advance of 1 3/8¢ for the December future, and 3/8¢ per bu for the May.

As everybody seems to be interested, we are naturally asked what we think the outcome will be of the difference between the December and May wheat. Nobody can be quite sure, but as the demand for red wheat is not very good at the present time, and as it is not likely to be easy to merchandise it, we believe that by further advancing premiums some of the holders will wish to take profits. There still exists the possibility that further deliveries will be made, as there is quite a lot of soft wheat in private elevators, which naturally could be moved should the occasion require it.

Canadian country deliveries of wheat yesterday were 412,000 bu against 445,000 a year ago, and are not showing as heavy a falling-off as one would assume with the shorter crop.

Primary receipts here were quite light --only 229,000 bu versus 450,000 last week and 620,000 last year; and we do not expect primaries

(over)

to be heavy for the balance of the crop, as farmers' stocks must be greatly depleted. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 345,000 bu.

Corn receipts continue to be small --only 529,000 bu whereas in 1934 they were 617,000 bu. Prices are holding steady, and the demand seems to be very satisfactory.

The panicky feeling which had existed in the world silver markets has temporarily subsided. Great uncertainties still exist, but it is to be assumed, in accordance with the law and also as a matter of policy, that further purchases on part of the United States Treasury will take place. What the end of such a plan will be, of course, nobody can predict. Ever since the executive proclamation of December 21, 1933, there has been acquired by the Treasury a total of 761 million ounces of silver. This must mean an investment of easily 400 million dollars or more. Considering that at the low point the United States' production of silver amounted to only about 6 or 7 million dollars per year, this is a big undertaking to help the silver producer and others. The annual value of domestically mined silver at that time was equal to about 1 per cent of the value of our wheat production, or one-thousandth of our whole agricultural products.

Oats and rye were neglected, with the smallest fluctuations.

UHLMANN GRAIN CO.

DAILY MARKET LETTER

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CHICAGO MERCHANTILE EX.

CHICAGO December 13, 1935.

Today is Friday the 13th. For a century this was considered an unlucky day; however, the battle of the Marne was won on Friday the 13th, since which time the previous superstition has been changed by the Frenchmen who have declared it a lucky one. Today was certainly lucky for the bulls in wheat because out of a clear sky the Argentine Government unexpectedly issued an edict guaranteeing the farmer 90 cents a bushel for his wheat, which price is about 20 cents per bu higher than was obtainable yesterday. This threw a bombshell in all wheat markets of the world, Liverpool advancing from5 1/2 to 5 7/8 cents per bu. The Canadian market opened at an advance of 3 cents per bu, which amount is all that futures are permitted to advance there in one day. As only a very few orders could be filled at this price, there is no doubt that prices would have advanced considerably more had they been permitted to do so. Australia also followed suit. England and the Continent naturally accepted every bushel of cash wheat which was offered overnight.

Inasmuch as the Wheat Board at Canada guarantees the exporters to Europe to provide their hedges at 1/4¢ over the closing markets, there is not much risk involved in offering large quantities. On the other hand, Europeans had a cinch in making their purchases after they had knowledge of the Argentine government's action. It is to be assumed that the quantities of wheat sold by both Canada and Australia were very large. Of course it is impossible to arrive at any actual figures. The first information given was that the amount sold was 5 million bu, which amount was gradually increased to 10 million bu or more; but this would be a very large quantity for one day, and we doubt whether it was larger. We remember only one time when Europe purchased overnight more than that amount: namely, about 20 million bushels. This was upon declaration of the Spanish American war.

It is well to now analyze what has taken place and how much it will change the whole situation. As far as Argentine is concerned, in our opinion, the 50 million bushels of wheat that she raised for export will still be sold, although much slower than disposition would have been made otherwise. The fact that the Argentine government, probably out of political expediency, guaranteed the farmer a higher price does not necessarily mean that she will not take a loss and sell wheat at world prices. In any case it was expected that out of her surplus 25 to 30 million bu would go to Brazil, and we do not think that this prospect will be changed.

As far as Europe is concerned, naturally millers and consumers became fearful because it may tempoarily take one of the exporters out of the reckoning and they had been figuring, at least for the present, on receiving moderate quantities from the Argentine.

Then the next question is: Will the wheat be obtainable in other countries? It may be that Russia will take advantage of the situation and become a more liberal seller. For France, which country is anxious to sell some of its surplus, it will be a distinct invitation to dispose of same now.

Finally, Canada is the country that has the key to the whole problem. She has the necessary quantity of wheat needed if she is disposed to sell it. According to the latest statistics, Europe will require about 10,700,000 bu a week for the next thirty-four weeks. Australia, Russia and the Danubian provinces, and other countries, even without Argentina, might furnish between 4 and 5 million bu. This would leave between 5 1/2 and 6 million bu for Canada to furnish, or in thirty-four weeks about 200 million bu. Canada has available for export and carryover over 300,000,000 bu; therefore no scarcity could arise as long as she would be willing to take the place of Argentina and furnish whatever is needed. Of course there remains the possibility that the latter country, being in such a fortunate position, might wish to take advantage of it; but in the past such a

(O V E R)

policy has not proved beneficial and it is hardly likely it will be carried out.

With two governments being in the wheat business, it is very difficult for an outside individual to be sure of what will happen. However we know that even when silver was advanced too high, on account of accumulations, it was difficult to sustain the market; and from a statistical point of view, wheat is plenty high enough.

Our market naturally, as all others, was equally affected. Little attention was paid to any statistics.

Primary receipts were 389,000 bu compared with 270,000 bu last week and 310,000 last year. Stocks at Kansas City, Duluth and Minneapolis showed only a small decrease of 217,000 bu.

At the close practically all futures in every American market had advanced the full limit permitted in one day, 5¢ per bushel. Many buying orders could not be filled, and therefore it is to be assumed that we shall have still higher markets tomorrow unless something unforeseen should occur overnight. Much naturally will depend upon cables, and whether Europe will continue to be a heavy buyer at the advanced level.

Corn, oats and rye all showed sharp advances in sympathy with wheat; nothing else counted, and the intrinsic merit of these cereals was not even discussed.

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CHICAGO December 14, 1935.

The great excitement of yesterday following the action of the Argentine Government subsided today, and Liverpool wheat cables showed a decline of 1 3/8 to 1 3/4¢ per bu on their futures. Evidently foreigners take much the same view as we expressed yesterday; namely, that the guaranteed price to the farmer at Buenos Aires neither increases nor decreases the quantity of wheat which will finally have to be disposed of by Argentina. However temporarily it takes that country out of the export column; and therefore momentarily has a strengthening effect.

There are further uncertainties which are not yet cleared up. There are rumors of further devaluation of the paper peso in the Argentine, but nothing, as far as we know, has yet been done.

With the United States entirely unable to export any wheat, and rather having become an importer, and with Australia raising only a moderate crop, the matter would have been still more important were it not for the very excessive carryover in Canada. It now looks like this curse may be of great benefit to the world's consumer of flour; and with the Wheat Board at Canada disposed to sell its wheat at reasonable prices without sacrifices, present values may have discounted the change of policy in Argentina. Should this be the case all needs of the importing countries may easily be supplied, and finally the price structure will depend largely upon the outcome of the new crops, particularly in the United States.

At present the outlook in this country is extremely favorable, but, of course, outside of the fact that there has been reasonable moisture,nothing can be safely predicted as to what the harvest might bring forth.

Our market at periods today was very largely influenced by the great strength in the December wheat, which at one time had advanced to 3¢ per bu over the May future. Insofar as this price is concerned, it may be considered as artificial, as we believe it is difficult to merchandise soft wheat at this premium. However there seems to have been an extended short interest and many hedgers were also caught short, thus enabling those who had accumulated this future to boost the price.

Outside markets were comparatively weak, with no exception, only the December wheat at Minneapolis declined less.

The open interest in December wheat was still quite large yesterday --about 10,769,000 bu, but as shorts are very much scared, the presumption is that a great deal had been covered today. So this future may still go out at a discount under the May, but uncertainties will continue until the heavy liquidation is over.

Primary receipts keep very light, being 265,000 bu today against 510,000 parallel day the week before and 290,000 bu a year ago. For the week they also show a big dropping-off in comparison with both last week and last year. However during the week ending December 7th, importations took place again in the amount of 778,000 bu; and if these are added to our own farmers' sales the discrepancy is not great enough to cause a scarcity. It is quite natural that with these nervous markets, milling business temporarily is at very low ebb; but we still expect after the processing tax case is decided that there will be great improvements. Stocks at Kansas City, Duluth and Minneapolis so far this week show a net decrease of 366,000 bu, and it is our guess that the visible supply will show only a very moderate decrease on Monday.

Silver was again lower at Montreal, and while this continued decline is disturbing, it is probably not sufficiently important to upset or influence all other commodities. Naturally while at the lower price, the United States Government has to face a bigger loss on its holdings, the new investments from now on will be on a smaller scale. It is quite easy now to explain why the Treasury changed its policy so suddenly. During the month of November importations of silver amounted to 104,200,000 ounces; and nearly 5 million ounces of newly mined silver were also acquired. The total cost, therefore, must have come close to $70 million, which is a big venture, even for a country as rich as ours. When it is considered that our total merchandise exports for October were only $218 million, it is qite evident, assuming they were about the same in November, that one-third of same had been paid for in silver. Our whole favorable trade balance was only $28 million, and of course very much less than our importations of this metal, which is not as stable as gold and not as good security.

(O V E R)

At the close the wheat market showed a decline of 1 1/2¢ per bushel for the active future --May; and 3/8¢ per bushel for the December

Corn, oats and rye lost a good part of their yesterday's advance in sympathy with the decline in wheat.

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CHICAGO December 16, 1935.

Liverpool wheat cables were extremely strong today, and while they did not maintaintheir full advance futures finally closed 5/8 to 7/8¢ per bushel higher than Saturday. Inasmuch as local sentiment in wheat now is so largely influenced by foreign news a higher market early was anticipated. A forecasting agency, which seems to be quite influential, came out advising the sale of wheat, and there were enough followers to affect the market. During most of the session the tendency was rather weak, and the close showed a decline of 7/8 to 1 3/8¢ per bushel compared with Saturday's closing figure.

World shipments at 9,320,000 bu are still smaller than supposed weekly requirements of importing nations, but are almost 3 million bu more than similar period last year. North America had been a larger contributor, but Canada has to make up a great deal to show exports even as much as last year.

Part of the foreign strength today is explained by the total absence of offerings from the Argentine, where prices at the present time are higher than those at which other competitors are willing to sell; but who can tell how long this will last? Although the Argentine crop is a very small one, in a short time there ought to be a comparatively free movement, and storage facilities in that country are not very large. Farmers as a rule bring their product to market very soon after harvest is over. Therefore accumulations ought to be very large unless some other outlet is found except to domestic mills. This will create some uncertainty, because any day we are liable to hear that the Argentine Government is taking a loss and offering the wheat to European buyers.

We see no change in the Canadian policy; the desire still prevails to take advantage of the opportunity at present to sell the accumulated surplus without any great sacrifice. However as one has to depend more or less on the actions of two Governments as to their marketing policy, statistics alone cannot be relied upon too much for guessing future values. Were we to consider nothing else but supply and demand, we would reason that nothing materially has been changed since the Argentine government subsidized its farmers, and that finally there will be plenty of wheat both abroad and here.

Primary receipts continue to be light --567,000 bu against 504,000 bu theweek before. The visible supply shows a decrease of 1,866,000 bu, and now amounts to 73,286,000 bu, which is 15,732,000 bu less than a year ago.

December wheat was very strong at times, and while very little wheat had been shipped out of elevators during this month for consumption, a great deal is going to be moved from one elevator to another, probably where cheaper storage can be obtained. In this way the amount in public elevators will be largely reduced, which later on might have the tendency to scare shorts unless it will be replenished. We have reports from Ohio that red wheat is being offered more freely without finding liberal takings. We still feel that it will be a difficult proposition to merchandise much of the soft wheat, particularly at the premium now existing over the May.

Corn, oats and rye all declined somewhat in sympathy with wheat, but cash corn also lost ground compared with the futures; and with the heavier movement we look for still lower prices.

Silver again declined in London one hundred points, equal to one cent per ounce. Evidently the United States Treasury, which had been the largest buyer, and until recently almost the only one on a large scale, is declining to take the offerings as heretofore except at concessions. How far this complete change of policy will finally affect values in the United States, and commodities in general, is difficult to tell because it will depend upon unpredictabl future events.

(O V E R)

With China now operating on a managed or paper currency basis, there is practically not a single country left where silver is the sole monetary unit. This necessarily decreases the demand for this metal. Should the United States stop buying, who can tell whether the price would not decline to somewhere near the starting point. According to the strict interpretation of the law, the Treasurer is compelled to continue to buy silver up to a certain limit, but is permitted to choose his own time and methods. For the present the decline means a big loss to the government, which is, however, not serious as yet.

If from now on silver would be figured as a commodity like all other metals except gold, but the same as precious stones such as diamonds, etc., and it really belongs in that category, our trade balance might be largely against us in future, instead of having been the other way for practically fifty years or more. This in turn might later on mean exports of gold. If at the same time some of the hoarded gold here would be re-exported to Europe, so that we might have a large enough outflow, it would finally affect our very large bank reserves and consequently our rates of interest, so the matter may be quite far reaching.

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December 17, 1935.

Liverpool cables were quite strong and futures there advanced 5/8 to 2 1/4¢ per bu, while our market had declined yesterday. This naturally gave us a much stronger undertone. Liverpool had gained on us fully 2¢ a bu since the Argentine news came out about subsidizing their wheat farmers.

However, in the main, our wheat markets have done hardly anything for the past three months: namely, at the end of September, May wheat closed at 99 1/4, at the end of October 98¢ and at the end of November 97 1/4¢. Today May wheat closed at 98¢. We would not be surprised if the same conditions would continue until something new turns up to bring about a radical change in the situation.

With the three successive short crops we have had in the United States, and rather moderately poor crops in Canada, with a failure in the Argentine, it appears very much as if the burdensome carryovers which had been in existence in the world for so many years would disappear at the end of this season. This naturally takes away one of the most depressing factors and there is nothing in sight to indicate extremely low prices. On the other hand, no scarcity exists now, or will exist, for the balance of the crop year. We assume that the dollar level for wheat in this country and abroad is high enough, all of which fully explains the narrow fluctuations which have prevailed. In the future, of course very abundant crops generally over most of the wheat producing territories would again create a heavy surplus, while failures in some of the important countries might cause a situation where consumption and production would be so evenly balanced that high prices would be necessary to effect economies. Inasmuch as nobody as yet has been able to look into the future to calculate what next year's yields will be, uncertainties will continue to exist. There will be temporary influences, such as the decision on the processing tax, which would create a better momentary demand for wheat. Also the policy on part of the Argentine government as to how they want to handle their wheat crops will have to be considered.

It is now estimated that Argentina will raise about 144 million bu, and while the largest share will be consumed at home, yet this consumption will stretch out twelve months, while the bulk of the farmers will want to sell their wheat early, and storage facilities in that country are not too abundant. Also the surplus, even though small, will have to be taken care of.

Liverpool at the present time, without any offerings from Argentina, something which has not happened at this period of the year probably for over twenty years, is likely to maintain a firm undertone, which is bound to react on us. It is modified, of course, by the possible action of the Wheat Board in Canada, as they are offering their wheat stocks liberally at reasonable prices.

Our primary receipts today were very small again, 302,000 bu compared with 286,000 bu last week. Stocks at Kansas City, Duluth and Minneapolis so far show a decrease of 18,000 bu.

At the close the wheat market showed an advance of 1 1/8¢ per bu for the December future, while the May advanced only 3/8¢ and the July was actually lower. The great strength in the December is scaring hedgers in May wheat, fearing a repetition might occur in that month, although we believe that by May conditions are likely to be entirely different.

Silver prices were again lower today, and speculation in stocks, as wellas all commodities, has subsided a great deal --this also includes grains; and of necessity this has the tendency to minimize fluctuations.

Corn receipts are increasing, primaries today being 855,000 bu compared with 574,000 bu a year ago. The cash basis was steady and futures a trifle lower.

Trade in oats and rye was of very small volume, and fluctuations unimportant.

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December 18, 1935.

Liverpool cables were again quite strong, their futures closing at an advance of 1 1/8 to 1 1/2¢ per bushel over yesterday. The chief strength is in December wheat which is selling at a good premium over March and May, thus indicating that present supplies are insufficient and that the cash wheat is wanted, while there are some hopes that later on supplies might be more plentiful.

The English trade has reconciled itself to the fact that for the present they cannot rely on Argentina for any offerings, although no doubt later on government agencies will be compelled to offer part of the surplus to European countries.

It is gratifying to the trade, however, that Canada continues to pursue the policy to dispose of her wheat as it is wanted, and in carrying out this plan she seems to be more concerned about getting rid of large quantities than about the price. This doesn't mean that great sacrifices are being made, but the present price level seems to be satisfactory for the purpose of cleaning house; and those exporters who are using all of their efforts to sell the wheat abroad to their customers are meeting with great cooperation on part of the Canadian Wheat Board. Altogether this has created a very much healthier situation.

Winnipeg futures are now selling at a discount under those of Liverpool, while last year they were persistently held above their quotations. A similar correction has also been made in comparison with Chicago. On October 5, when May wheat sold at $1.06 here, Liverpool March closed at 92 1/8¢, so our wheat was 14¢ above theirs. Today the difference is only 6¢ per bushel.

Under these circumstances, until some new features change the picture, we expect that from now on Europe will be able to supply her needs largely from Canada and this probably can be accomplished without any sharp rise in prices; while on the other hand there is no pressure from anywhere to suggest sharp recessions.

Canadian wheat stocks on December 13 at various places were still about 268 million bu compared with 256,500,000 bu same period last year, and the largest in history. There also seem to be reasonable amounts of wheat in farmers' hands judging from the daily deliveries. Same amounted yesterday to 402,000 bu compared with 350,000 a year ago. Theoretically there should be only about 32 million bu left in farmers' hands; but we have to assume that the crop was largely under-estimated and that a great deal more will come forward as time goes on.

Our opening showed an advance in sympathy with stronger cables, after which time fluctuations were very limited.

Primary receipts continue to be light -390,000 bu versus 365,000 bu last year. Stocks at Kansas City, Duluth and Minneapolis so far show only a slight decrease of 87,000 bu. Milling demand is fair, but no big business is likely to be consummated until the Supreme Court gives its decision on the AAA.

At the close the market showed an advance of 1/2¢ per bu on both the May and July wheat, while the December was unchanged. There was less tension today in December wheat, longs evidently being satisfied with the premium which is obtainable at the present time, and offerings on their part were much more free.

Corn fluctuated but very little; but receipts are fully up to the demand, and with increasing movement, we might see lower prices.

Oats and rye were a trifle higher, but very little interest is shown in these cereals.

Silver again declined 3¢ per ounce overnight, which is over 5 per cent of its value, but the effect on the stock market, outside of foreign silver-mine stocks, was insignificant. In fact we believe there is some relief in the fact that the silver policy on part of the Treasury has been changed. Had it been continued for another year or two, and had we persisted in buying all the silver surplus in the world at a fictitious price, the final result might have been very disastrous. Now if it is confined to the loss of our present accumulations, and if a lesson has been learned, it is just another experience like that of the wheat Farm Board; and will in due time be forgotten. Fortunately our country is rich enough to stand such losses as have been incurred. Much, of course, will depend upon whether during the next congressional session the silver Senators will or will not again try to insist on heavier purchases abroad of this metal which really nobody wants; but it is not likely that this will be the case.

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CHICAGO December 19, 1935.

Liverpool futures were again quite strong today, finally closing about unchanged from yesterday, but the quotations are the highest they have been for sometime.

The whole world wheat situation seems to have greatly improved--with Argentina at the moment out of the market, and Australia holding out for higher prices after they had already sold large quantities of their new crop.

Stocks everywhere are moderate with the exception of Canada where they are still large, but the prospects are such that it seems they can be so heavily reduced during the next six months that the burden will not be great after that. Nevertheless there is no scarcity in sight for the next six months. The present level of prices seems to be satisfactory to most of the holders, and therefore, the indifferent market which has prevailed for so long now seems likely to continue until the new crop prospects may bring up another issue.

The Government yesterday issued its report after close of the session, making the final yields a trifle larger than previous estimates, the total wheat crop being 603 million bu. The raising of the estimates a few million bushels had no market effect. If we base all future calculations on a crop of this size, plus 17 million bu which have already been imported, and taking into consideration further probable purchases from Canada of say 20 or 25 million bu, we come to the same conclusion as we have expressed so many times--that our carryover on next July will be much the same as it was this season.

Estimated Argentine shipments for this week of 1,102,000 bu and Russian and Black sea ports 1,120,000 bu, again confirm that the bulk of the European requirements will have to come from Canada and Australia.

Primary receipts of wheat at terminal markets in this country were rather large --458,000 bu versus 229,000 last week and 261,000 bu last year; but stocks at Kansas City, Duluth and Minneapolis so far this week show only a small decrease of 209,000 bu.

We think there is a better demand in the Southwest for the hard wheat, but this particular kind of wheat has been rather scarce during the whole season and we think it will command a very high premium over the soft varities right through this crop year.

All the grain markets now have the atmosphere of a holiday character, trade is extremely light and interest generally is at very low ebb. At the close the wheat market showed an advance of 5/8¢ per bu. compared with the previous session.

The open interest in December wheat yesterday had been reduced to 7 1/2 million bu, which is still quite large, but there seems to be a tendency on part of both longs and shorts to even up. We do not expect any fireworks. It will probably pay the longs better to sell the wheat in the open market than to merchandise it. It is true, premiums on red wheat are nominally very high, but it cannot be disposed of in large quantities, and in the meantime heavy storage charges would accrue.

Trade in corn, oats and rye has dwindled so much that the volume of yesterday's business of all futures of corn amounted to only 1,982,000 bu, oats 506,000 bu, and rye 418,000 bu. Fluctuations, under these conditions, cannot be anything but small; there was no appreciable change today.

Silver markets all over the world were again demoralized today; the price declined 2¢ per ounce in New York, and a little more in London. The world assumes now that all the artificiality which had been created in the price structure will disappear; but the matter will not be serious enough to affect our general business if conditions otherwise are right.

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CHICAGO MERCHANTILE EX.

CHICAGO December 20, 1935.

Liverpool cables closed from 5/8 to 7/8¢ per bu lower than yesterday, this in spite of the fact that Australian shipments were only 1,684,000 bu compared with 2,541,000 bu last year, and Argentine shipments 921,000 bu compared with 2,091,000 previous year.

Foreigners are still so much imbued with the idea that Canada will sooner or later furnish them all they will need for their requirements that they are not very much concerned despite the shortage of crops and the slow movement in the Southern Hemisphere. This, we consider is fully justified as long as the Wheat Board in Canada pursues its policy and remains determined to dispose of their unwieldly stocks which had been carried over from previous seasons. This seems all the more to be good policy as Canada also had a number of short crops in succession, and according to the law of averages a larger one might be harvested in 1936, in which case it will be a great relief to be in a position to market only one year's surplus instead of two or more seasons' carryovers.

Here in the United States wheat trading is more or less at a standstill at the moment with extremely small fluctuations. The approaching holidays have something to do with it, also the fact that the government report on the planted acreage will be given by the Agricultural Department after the close of the session today.

It is generally surmised that same might be in the neighborhood of 45 million acres for winter wheat. Should this prove to be true, with an average abandonment for the ten years from 1922 to 1931 of 12.6%, there might be an acreage left for harvest close to 40 million acres. This would compare with the three drought years as follows:

1933 - 28,485,000 acres
1934 - 32,968,000 "
1935 - 31,000,000 "

While naturally much can happen yet to change these figures, it is at least safe to say that the prospects for a much larger crop than last year are very favorable. On the other hand, supplies of wheat on farms are extremely small and the movement to terminal markets will be very limited after January 1. This would necessitate drawing more or less on the stocks at terminal markets and will bring about a removal of hedges, which generally gives some strength to the market unless there are off-setting influences. The latter, of course, might come with very favorable crop prospects, and as we mentioned before we believe this will be the deciding influence later on. Should the weather be such that an early and abundant harvest is in sight and if early in June and July all millers and consumers would be willing to let their stocks run down to a minimum as long as futures are selling at a big discount sentiment would change quickly.

Canadian farmers' marketings are somewhat on the decline, but are still larger than last year, yesterday's being 345,000 bu compared with 319,000 bu in 1934. Daily it becomes more apparent that the crop there must have been largely under-estimated.

Our primary receipts were only fair --412,000 bu, but yet they were larger than a week ago when they were 389,000 bu. Stocks at Kansas City, Duluth and Minneapolis so far this week show a moderate decrease of 402,000 bu. We believe the milling demand in the Southwest is somewhat improved, and stocks at Kansas City are decreasing almost daily. We believe at the end of the season that hard wheat will be an extremely scarce article. At the close the wheat market showed a decline of 1/8¢ per bu for the active futures, while the December advanced about 1/2¢ per bu.

There is no new feature in corn; trading yesterday of all futures amounted to only 2,692,000 bu. It was stillless in oats--only 399,000 bu changed hands, and 165,000 bu was all the business that was done in rye. With such a small volume no sharp fluctuations are in sight; and greater interest in these cereals is needed to bring about higher prices, as the demand for the actual cash article is also very limited.

The price of silver at New York again declined 2¢ per ounce, but it did not affect silver stocks; in fact, the world seems to have adjusted itself to the idea that this metal will have to stand on its own merits in the future as long as the other countries outside of the United States do not seem to be much interested.

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CHICAGO MERCHANTILE EX.

CHICAGO Dec 21, 1935.

There was very little news of importance over night as far as the foreign situation is concerned. The demand for actual wheat abroad is now quieter in anticipation of larger world shipments in a few weeks. Liverpool wheat futures were all unchanged. However, in the United States a government report was issued by the Agricultural Department on the seeded acreage, and the information was quite a surprise to the trade.

It had hardly been expected that the acreage planted would be as large --the government figures being 47,529,000 acres compared with 44,530,000 last year. The condition is rather low --78.2 against 77.8 a year ago. The outlook per acre is only a trifle better than in 1934; but it must not be overlooked that last year after this period we had nothing but unfavorable weather, which need not necessarily be duplicated the coming season.

Taking the acreage alone, it is the largest since 1927, when it was 47,897,000 acres. It is almost as big now as it was then, and considering that the farmers in many sections had been paid large amounts of money for reducing their acreage, we wonder what it would have been if the AAA had not undertaken and succeeded in obtaining many reduction contracts. Evidently farmers must have been well satisfied with the results of last year's crop. We must also assume that a great many farmers who have not signed up have planted a great deal more than in other years.

The average yield of winter wheat during the period from 1923 to 1932 was a little over 15 bushels per acre. Consequently, the additional 3 million acres which were planted this season compared with last alone might give us from 40 to 45 million bu of wheat. We must also assume that spring wheat farmers will feel very much in the same mood. If so, the spring wheat acreage also might be considerably increased.

To say the least, therefore, the present outlook indicates larger crops than those of the last few years; and should this be the case, instead of being an importer, as we are now, in all likelihood we shall become exporters again unless the Government agencies prefer to purchase part or all of the surplus which might be raised, and hold same over for another year.

Of course it is much too early to assume that a bumper crop will be raised, because much can happen between now and harvest, and undoubtedly we shall have our usual crop scares. Nevertheless taking the most important state alone --Kansas-- we find that the production last year was only 60 million bushels. It is expected that Kansas has planted the largest acreage for wheat in its history --over 14 million acres. Even a comparatively poor crop might produce over 100 million bushels, with a possibility of a great deal more.

The chief market effect of the report was a further widening of the premium between May and July wheat, as many of those who are disposed to taking the short side feel safer in selling the July wheat on the assumption that by that time supplies might be very plentiful, while at best they will be only moderate in May. The question arises whether such a condition is not already fully discounted with the prevailing premium of 9¢ per bushel for the May wheat over the July, as nobody would wish to carry much wheat over from this to next season under these conditions.

Altogether the trade was extremely light, and we also believe that the milling demand is rather poor; but it is nothing exceptional to have a very small trade just before the holidays.

(OVER)

The Winnipeg market acts in a very indifferent way. It seems the Wheat Board is less interested in fractional advances or declines than it is in disposing of its wheat holdings. Supplies are still very large, stocks on December 13th being about 306 million bushels compared with 321 million bu a year ago, or 15 million bushels less. However, this is on the assumption that there are only 33 million bushels of wheat left in farmers' hands, but we believe this quantity will turn out finally to be much larger.

Primary receipts here were 389,000 bushels versus only 265,000 in 1934; and stocks at Kansas City, Duluth and Minneapolis so far this week show a decrease of 542,000 bu, indicating a slight decrease for the week.

At the close the wheat market showed an advance of 3/4¢ per bushel.

Winnipeg, however, was actually lower than yesterday, so we do not look for a very strong cable on Monday.

Corn was somewhat higher; and it is quite evident that it will take a long time to fill up the holes, owing to the short crop of last year.

Oats and rye improved a little in sympathy with wheat.

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CHICAGO December 23, 1935.

The wheat market was largely influenced today by the great strength in December wheat, which is congested. All trades must be closed out, according to the new rules, by Friday the 27th, except for tenders, and the short interest last Saturday was still 6 million bu. The longs evidently feel very confident about their position, as all told only about 2 million bu of wheat had been delivered so far, not counting the re-deliveries. With the extreme strength in cash premiums for hard, soft and spring wheat, they feel that after the processing tax case is decided, there will be a good demand for same and it can be merchandised.

At the present time the demand is very limited. Naturally the conclusion was drawn that if the cash article is worth that much money now, it ought to be worth as much or more next May; but such reasoning does not always work out, because at the end of May it is so near to the appearance of the new crop that nobody will care to carry over any surplus into the next season.

Otherwise there was comparatively little encouragement for the bull. Liverpool cables regained their loss of Saturday, but Winnipeg remains very weak, and, therefore, puts the spring-wheat miller in a position where he can obtain his supplies from across the border and naturally large importations would increase our supplies accordingly.

World grain exports were again very small, 7,585,000 bu compared with 7,500,000 last year, showing that the importing countries can get along with very much smaller quantities than was anticipated earlier in the season. Canada contributed about 3 million bu versus almost 2 million bu last year, but this amount is not enough to enable that country to reduce her abundant supplies as fast as she would wish to.

The United States' visible supply also showed a much smaller decrease than the previous season; namely, 779,000 bu against 2,932,000 bu in 1934, and the total supplies are now only 13,500,000 bu less than the parallel week in 1934. The way it appears now they may surpass them later on.

There was great pressure on July wheat at times, which future declined comparatively the most. This is due to the fact of the very large winter wheat acreage planted and also from fears that later on there might be some congestion in May wheat.

Primary receipets were rather small for a Monday: 498,000 bu compared with 567,000 last week. The demand in the Southwest is keeping up at a fair rate and premiums are well maintained. Millers are awaiting the outcome of the processing tax and whatever the decision may be we expect a much better milling demand for a time, as flour stocks have been substantially reduced.

At the close the December future was 1 1/4¢ per bushel higher, May 1/4¢ lower, and the July 3/4¢ per bu lower.

Chicago stocks decreased 191,000 bushels this week, but are still 8,775,000 bu, which is very much larger than they were a year ago same period, when they were 5,982,000 bushels. This shows that there really are abundant supplies unless demand from now on would be much greater, as even in 1934 they were sufficient for all purposes; but this anticipated prospective increased demand is naturally more or less of a guess.

Corn fluctuated but little. There are sufficient supplies coming to terminal markets to satisfy the demand.

Oats and rye showed very small changes.

Silver prices in New York declined again another cent but it had no market effect, as it is taken for granted that the unlimited buying of silver from countries abroad will not be continued; but great hopes are still entertained that the domestic price will be held, so the owners of United States' silver mines will not suffer.

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December 24, 1935.

Trading today was largely confined to covering short December wheat and changing this future to May. It seems that an extraordinary congestion in December wheat developed, as a cargo of wheat which had been loaded from one of the largest elevators had not passed the grade, which created the supposition that all the wheat in that elevator would not pass muster. As there are hardly any other warehouse receipts circulating, naturally the shorts were at the mercy of the longs and were anxious to close their commitments. As we understand it, the quality of the wheat in this particular elevator is such that with just a small amount of better wheat it may be made to grade contract, but this, of course, takes time. While it is too late to make the adjustment during the few days which are left for December deliveries, all this wheat will be available, for sale and for future delivery if it should be desired next May. We, therefore, assume that it will have no final effect on May wheat and that the price of this future will be made according to conditions as they develop later on.

Very little attention was paid to Liverpool cables; in fact, nothing could be concluded from same, as some of the futures advanced while others declined. December wheat there had gained 5/8¢ per bushel , evidently being influenced by the small stocks abroad, whereas the May wheat declined 3/8¢ per bushel, due to expectations that later on more liberal shipments will come from Canada, and that stocks then will be largely replenished. This particularly so as the Canadian market shows great weakness all the time, and the disposition still prevails to market their holdings at reasonable prices. Also farmers' deliveries in Canada continue to be larger than expected, being 315,000 bu against 191,000 bu a year ago.

Primary receipts here were extremely light --only 231,000 bu versus 302,000 bu in 1934. We anticipate that farmers' movement during the next six months will be the lightest on record. Their offerings are exceedingly small, and with interior mills taking a large share, it is not likely that there will be much left for terminal markets. In consequence premiums, particularly in the Southwest,continue to keep up.

The milling demand at the present time is very poor, but this is usually the case during the Christmas holidays, and more so this season with the uncertainties existing regarding the decision on the processing tax. It is generally surmised that the Supreme Court will give its opinion on January 6th, after which date a much better demand for flour will undoubtedly develop, as stocks have been permitted to run down to very small proportions.

At the close the wheat market showed an advance of 1¢ per bu for the December future, but a decline of 1/4¢ for the May, and 5/8¢ for the July.

The total volume of trading in corn, oats and rye was again very small --yesterday only 2,343,000 bu of corn changed hands; trading in oats was 560,000 bushels, and rye 79,000 bu. Under these circumstances only the smallest fluctuations are taking place at the present time.

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CHICAGO

December 26, 1935.

With both Liverpool and Winnipeg markets closed, and ours still under the influence of the past and approaching holidays, nothing much in the way of a busy market could possibly be expected. Trading must have been extremely light; and the only interest to speak of was shown in December contracts, as same must be closed out by tomorrow night except that tenders can still be made until the end of the month. The open interest in December wheat last Tuesday was still 3,925,000 bu. Tenders this morning were only 10,000 bushels, indicating that there are very few public warehouse receipts in circulation.

The situation is so extraordinary that predictions as to the outcome of prices at the close of December are almost impossible. The bulls are in a position where they can just about exact their own price, unless the premium over the May should finally advance so much that the other elevators would be willing to make deliveries rather than merchandise their wheat. The effect was strengthening to the May wheat, although we do not think that what happened in December would necessarily be repeated in May. To start with, May wheat is already 10¢ per bu over the July, and while holders of cash grain have almost six months' time to merchandise their wheat no such opportunity would exist at the end of May when consumption is usually the lightest and mills are in the habit of closing up part of the month of June for repairs, and in July the new crop is coming on the market.

The Government in giving its total reports on the winter wheat acreage and conditions by important states, leads us to the belief that so far average prospects are in sight. The lowest condition has been reported in the Washington territory --only 55 per cent compared with an average of 79 per cent, which, however, is less important as the poor wheat can be plowed up and the acreage put into spring wheat. Otherwise the outlook is such that we may look for reasonable results, provided weather will not play havoc again as it did last year.

Primary receipts for two days were very light, being 422,000 bu against 458,000 a year ago. The milling business remains very poor, but there is bound to be great improvement after the turn of the year.

Estimated shipments from Argentina are only 735,000 bu versus 1,520,000 in 1934. With Europe depending almost entirely upon Canada for its heavy supplies, it is not likely that the Liverpool market will be very weak at any time; stocks there at the present time are small and large accumulations are not in sight.

At the close the market showed an advance of 1 1/2¢ per bu for the December future, 5/8¢ per bu for the May and 1/4¢ for the July.

Corn receipts at terminal points amounted to 844,000 bu which is somewhat larger than last week, and considerably greater than last year, when they were only 165,000 bu; but of course the crop was very much larger this season, and so is also the demand, as many holes have to be filled. There are no signs yet of any burdensome accumulations.

There is a surprisingly large open interest yet in December corn; the last session it amounted to 2,789,000 bu, but as same is still selling at a discount under the May nobody anticipates any trouble, and contracts undoubtedly will all be evened up nicely.

Trade in oats and rye continued to remain neglected, with small fluctuations.

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CHICAGO December 27, 1935.

To us the most interesting news today without a doubt was the small Black sea shipments amounting to only 80,000 bu compared with 1,120,000 bu last week and 50,000 bu last year. Broomhall had been very pessimistic right along about heavy exports from Russia, but for a time it appeared, with the heavy clearances which had already taken place, that his estimate regarding the exportable surplus from that country might have been under-estimated. However, if today's shipments are a criterion of what we may expect for the next six months, there will be only two heavy exporters left: namely, Canada and Australia. The latter's exportations are minimized by the fact that a good percentage will be absorbed by non-European countries.

Argentina shipped only 704,000 bu versus 1,520,000 bu last year, but this was expected. However, Australian wheat shipments were very disappointing, only 778,000 bu against 1,945,000 bu last year; and with the exception of 153,000 bu, it all went to non-European countries.

It is quite evident that no matter how much European consumption is reduced, importations from Canada will have to be heavy to supply the absolute minimum requirements. Actual wheat in England must be very scarce, as the nearby future, December, is selling at more than 6¢ over the May. There was an advance today in Liverpool, after their holidays, from 1/2¢ on the May to 1 1/2¢ on the December future. With no pressure in sight, therefore, we may assume that we need have no fear of any detrimental influence on our price level from abroad. Canada, and we think very wisely, seems to be contented with the situation, and as she is anxious to move more of her wheat rather than to obtain better prices, she appears willing to sell to those who are in need of the wheat to cover their requirements, without boosting her prices. Futures in Winnipeg have not responded much to advances in other centers.

As of December 20, Canada still had available 265 million bu against 257 million bu last year; this without counting stocks in farmers' hands. Therefore, they no doubt will continue to ease a situation which otherwise might become very tight. During the week of December 14, the United States imported for consumption and paid duty on 1,925,000 bu. The continuous importations of wheat into the United States are preventing a possible scarcity.

The Liverpool price level also becomes more and more interesting for the owner of Chicago July wheat. While their July wheat is only about 3 1/2¢ over our July, December wheat is almost 10¢ higher than our July. Should there be an adjustment there as the season progresses we would not be as hopelessly out of line after next July, should we raise an exportable surplus. This makes it quite evident that the big discount at which July wheat is selling assumes the probability of a large winter wheat crop. It is very true that at the present time prospects are favorable and we have reports from several points of Kansas today that it started to snow; and moisture, of course, is very beneficial. We believe it is too early to have any positive opinion as to the size of the next crop, except that the advantage is with the optimist on account of the large acreage; but the amount of moisture cannot be predicted by anyone, and this might make such a vast difference in the final yields that it is better judgment to delay estimates for the moment.

Primary receipts of wheat were very light, 239,000 bu compared with 412,000 last week, and we think the small movement will continue for the balance of the crop year.

The chief attention to ay was centered in the December wheat, which was considerably higher at times than yesterday, but at the close showed a decline of 3 3/4¢ per bu. Fluctuations in same were very erratic, and it was difficult to execute orders. May wheat showed a final decline of 3/4¢ per bu, and the July, a decline of 3/8¢ per bu.

Corn receipts were fair at 473,000 bu. Tenders were rather heavy, depressing the December future, which closed considerably lower, but did not affect the May future a great deal. We believe deliveries were largely absorbed by consumers or shippers who will want the corn.

Oats and rye continued to be nglected.

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CHICAGO December 28, 1935.

When trading in December futures stopped with the close of yesterday's session, open trades still amounted to 923,000 bu. There were deliveries today of about 825,000 bu, which leaves only small amounts to be settled through further delivery. Tenders were rather heavier than expected. Fairly large quantities lodged with parties who will no doubt make efforts to merchandise this wheat. The test of whether there will be an active demand for it or not will come soon, as everybody expects a decision regarding the processing tax from the Supreme Court on Monday, January 6, 1936. After that a lively demand for flour is expected. There seems to be very little doubt that millers have permitted their wheat stocks to run very low, and also same is true with consumers' flour stocks. In the meantime the probabilities are that there will be very great hesitancy in the trade; therefore, we do not look for any very exciting markets, nor great fluctuations in wheat prices.

Liverpool wheat cables were somewhat lower today, declining from 1/8¢ per bushel on the March to 5/8¢ on the July, but with the small world shipments which we anticipate for Monday, we cannot see how foreign markets can break very much.

Primary receipts here are very light --227,000 bushels compared with 389,000 a week ago; total for the week was 1,617,000 bu versus 2,508,000 bu same week in 1934, showing there is a gradual decline in farmers' movement. We believe that with the turn of the year primary receipts will be extremely small, and that millers will be compelled to draw on terminal stocks. We would be quite positive, therefore, of a very large reduction, but we have to take into consideration the possibility of heavy importations of Canadian wheat, which might upset all other calculations.

Importations so far, for five and one-half months amounted to 19 million bu duty paid. Should conditions be right it would not be impossible that importations during the last six and one-half months, when supplies in the United States should be the smallest, might even be greater than during the first period of the season.

We think there were pretty good snows in at least part of Kansas today, and as the moisture question is so important in the Southwest, ordinarily it would have had a rather depressing effect on the new crop future --July. This, however, was not the case, as with the ending of the December future, which showed a sharp decline the last day, there is not the same fear of using the May future as a hedge. A great deal of unspreading was done between May and July, causing comparative strength in the latter. The difference, which at one time had widened to 10 7/8¢ yesterday, at the close today was only 9 3/4¢ per bushel.

Trade in general was very light, and fluctuations very limited; May wheat closed 1/4¢ per bushel higher than yesterday.

Corn receipts were rather light, and with the fair demand continuing there are no excessive stocks as yet to justify any declines. The corn market closed rather strong.

Oats and rye remained neglected.

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CHICAGO MERCHANTILE EX.

December 30, 1935

Liverpool cables were extremely strong today, their futures advancing from 1 1/4 for May to as much as 2 5/8¢ for the December. It requires but little imagination to guess the reason for the strength. World shipments were probably the lowest in twenty-five years for this period, amounting to only 4,911,000 bu compared with 6,822,000 bu last year, and 7,585,000 bu last week.

When it is considered that Broomhall estimates weekly requirements for the balance of the season should be 10,759,000 bu, it is apparent that foreigners have to be much heavier buyers from now on than they were in the past to fill their needs.

The situation is all the more extraordinary as the amount on passage has also been reduced to very low records, the amount being only 20,832,000 bu compared with 25,352,000 bu parallel week last year.

In comparing prices for Liverpool futures this and last season, we notice a great deal of foreign strength. Chicago May wheat on December 29, 1934, closed at 99 5/8¢; last Saturday at 99 3/8¢, or hardly any change. Liverpool May wheat last year on December 29 closed at 77 1/4¢; last Saturday at 92 1/4¢, or 15¢ higher. Consequently we are no longer at such an abnormal difference above the Liverpool market. This becomes particularly important when we compare the July futures, as possibly with a large crop next July we might become exporters again. Liverpool July wheat closed last Saturday at 92¢, or 2 5/8¢ over ours. Last year it had closed at 78 7/8¢, while ours was 93 3/8¢, or 14 1/2¢ under, establishing a comparative improvement since a year ago of 17¢ per bushel. This certainly must be borne in mind before becoming too bearish on the July future.

Of course, it is possible that should the world produce big crops the coming season, all these conditions might radically change again; but it is too early as yet to be sure that this will happen. It is true, however, that the crop prospects in the United States so far are very much more favorable, and abundant snows over the holiday in Oklahoma gave more encouragement. Otherwise the western part of Kansas, which is badly in need of moisture, has received only a very small amount of precipitation and everything from now on will depend upon the moisture question.

The trade here was very much impressed with the advance abroad, and our market opened higher, was very strong during most of the session, with final prices showing a gain for our May wheat of 1 3/8¢ per bushel, compared with Saturday. July wheat followed only reluctantly, probably due to the snows in Oklahoma, which must be very beneficial for that state.

Canada showed the least excitement, advancing comparatively little and of course they are in an exceptional position. While there is not another country in the world this year which could boast of any great superabundance of wheat, Canada is still well supplied. According to the latest reports of Sanford Evans as of December 20, there were still left for export and carry-over about 294 million bu against 301,500,000 bu last year, or only 7,500,000 bu less. These calculations are based on the estimates for the crop as given by the last government report; but as farmers' deliveries almos t daily are larger than last year, we rather assume that the crop has been under-estimated and that finally even larger quantities will be available. During the last week country deliveries there amounted to 1,702,000 bu compared with 1,158,000 bu last year.

Primary receipts here continue to be small, only 437,000 bu vs 275,000 bu a year ago; but the demand must also be very moderate, as the visible supply shows only small decreases. Same amounted this week to 613,000 bu against 1,316,000 bu in 1934; and the total now is about 72 million bu, practically 13 million bu less than in 1934. Naturally most points under these circumstances have less wheat on hand than at the close of the year in 1934. But Chicago is a great exception and stocks here are 8,807,000 bu compared with only 5,802,000 bu last year, or 3 million bu more. Nevertheless there seems to be a general fear that this quantity might not be sufficient, should an urgent demand for the soft wheat develop after the processing tax suit has been decided. Whether or not this extraordinary demand for the soft wheat will develop will naturally depend upon the amount of stocks still left in the soft wheat territory and a number of other circumstances. Nobody can be sure about his position, but one point is quite clear: namely, that the largest part of this wheat must be merchandised before the end of May, as the holders will not be willing to carry it into another crop, as long as premiums are existing and taking their chances to come into competition with wheat of the same type which will be offered when the new crop moves in July.

Corn acted quite strong and not only the futures but also premiums on cash corn were higher. The visible supply increased 983,000 bu, but is still very small, only 7,700,000 bu vs 41,330,000 bu the end of last year. Primary receipts of corn also are much smaller than expected- 464,000 bu against 1,202,000 bu last week. There is no question that a great many farmers are holding back, being encouraged by the government agencies from whom they can borrow reasonable amounts; so they are not particularly anxious to sell at the present level of prices.

Rye profited from the extreme strength in wheat; but the only cereal which could not be moved much was oats, Stocks are large, demand relatively unimportant, and it will take a new incentive to lift this cereal from the present rut.

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CHICAGO MERCHANTILE EX.

December 31, 1935.

"Coming events cast their shadows before them." We are reminded of this when we look at today's primary wheat receipts amounting to 168,000 bu --probably the lightest for any day this year, and would have been so considered at any time during the last twenty years. In our minds, it is a confirmation of the exceptionally small amount of wheat which is left in farmers' hands; and during the next six months until another crop is harvested, we feel confident that there will be no great pressure from new arrivals.

- Millers and consumers will have to depend very largely for their supplies on their accumulated stocks, plus importations. Were it not for the latter the road of the prophet would be very clear and he would not assume great risks in predicting much higher prices. However, the quantity of Canadian wheat which might be brought into the United States, should the price level here be tempting for heavy purchases, remains uncertain. We feel that the supply available is very large, but with a probability that European markets will also draw heavily on Canada, they might not be quite as burdensome as it looked a while ago. However, for the present the Winnipeg market is only very reluctantly following advances which have taken place all over the world; and, therefore, puts a damper on what otherwise might develop into a very bullish situation --thus creating more speculative commitments.

Yesterday the open interest increased somewhat --about 800,000 bu, but the total amounts to only 111,578,000 bu, compared with 130,858,000 bu at the close November 6.

It is evident that the interest in wheat trading had been on the wane but we believe it is picking up some now owing to encouragement due to the great strength abroad. Liverpool cables showed another gain of 1 1/4 to 1 3/8¢ per bu over the previous day.

There are only two countries now from which foreigners can import large quantities, viz., Canada and Australia, and unless consumption should continue to be at a low ebb, world shipments from now on should show considerable improvement.

So far on this crop exports of breadstuffs from the various countries from July 1 were only 220 million bu compared with 256 million bu the year before when they were also very small compared with the ten year average.

Broomhall reports that Russian offerings have also practically disappeared for the time being. Small shipments from the Southern Hemisphere will not be confined only to the six-months period, but they will also be small until another crop is harvested, which is practically a year hence.

There is the possibility that the United States will be able to enter the picture again as an exporter next July provided our winter wheat crop should turn out very favorably. It is too early to make any predictions, but further snows in part of the Southwest lend great encouragement. Therefore, it seems to us that the discount of July wheat compared to May might be wide enough for the present.

Encouraged by the great strength from abroad, and with no pressure here, the undertone of the market was strong right through the session. May wheat showed a final advance of 7/8¢ per bu, and July 1/2¢ per bu. Until next Monday we shall have uncertainty when the Supreme Court may hand down its decision on the AAA processing tax. After that everybody is looking for a much improved milling demand, but this may be partly discounted, as a great many purchases of futures have undoubtedly been made with the expectation that this additional flour business is bound to come.

Considering the size of the corn crop, and the smaller amount which is needed at home for feed, receipts are exceptionally light, being only 272,000 bu at all primary points versus 622,000 bu a year ago. The cash basis was also from 1/2 to 1¢ higher, and aslong as there is no heavy accumulation in stocks we see nothing to depress the price of futures.

Oats and rye closed higher, mostly in sympathy with the other cereals.

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